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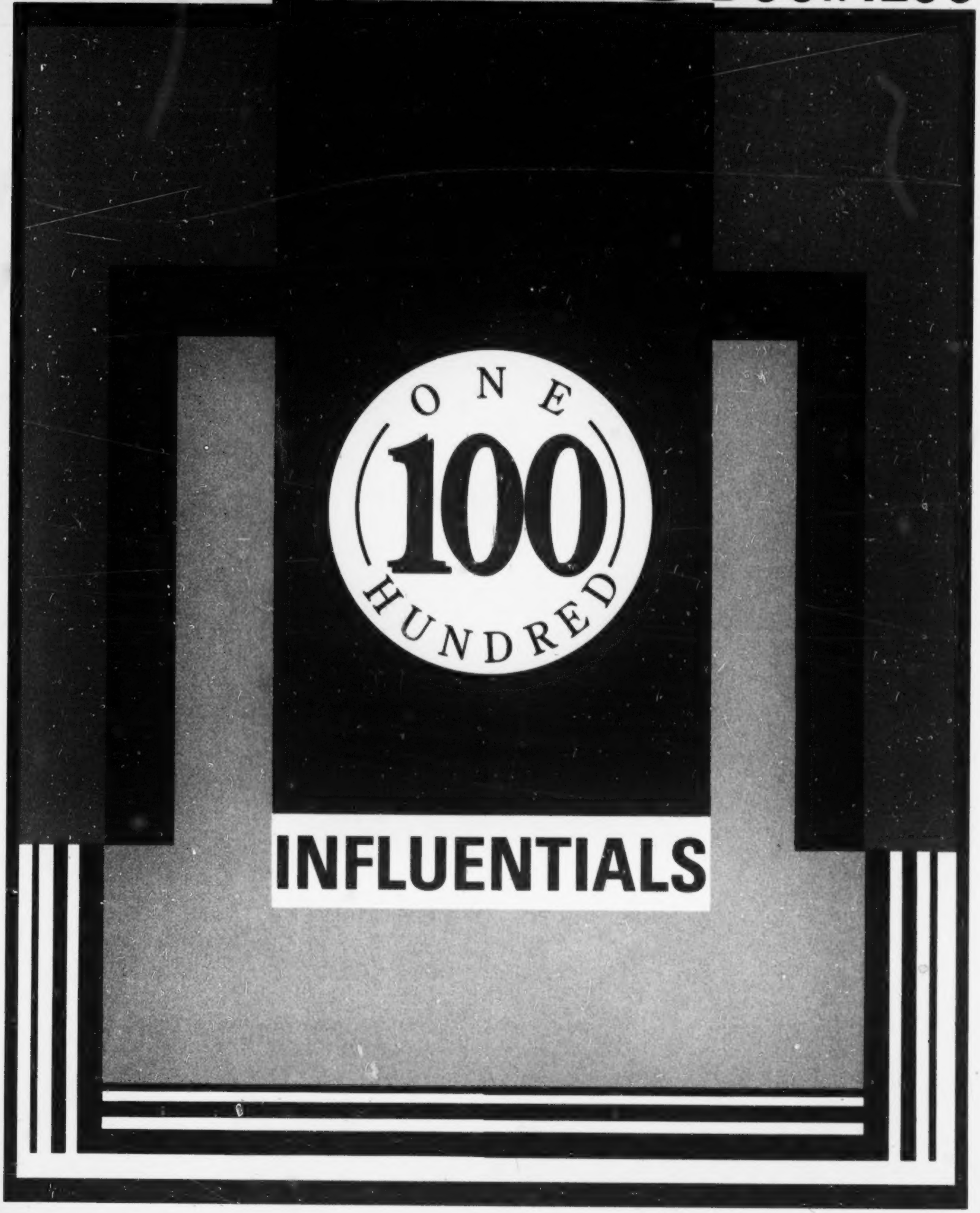

ONE
100
HUNDRED

INFLUENTIALS

HispanicBUSINESS®
The magazine for growth companies and ladder-oriented professionals
November 1989 Volume 11, Number 11

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DIRECTLINE

Who are the most influential Hispanics in the U.S. today? And what is on their minds?

So begins the introduction to this year's "100 Influentials" cover story. Despite the great popularity of this annual research-based feature, it remains perhaps one of our least understood. Our readers naturally focus primarily on the names that are included—and not included—in our list. But from our perspective the far more important question is, "What are these Influential Hispanics thinking as a group?"

Analysts and commentators alike commonly hold that the Hispanic population in the United States is a highly fragmented social group. "Hispanics don't think as a group," so say the experts by and large. Rather, U.S. Hispanics are believed to think as Mexican-Americans, or Cuban-Americans, or Puerto Ricans, or as members of individual regional groups who hold beliefs peculiar to Texans, or South Floridians, or...

All of this is true to an extent, but it is hardly the whole truth.

Is it possible to obtain a reading of pan-Hispanic attitudes and beliefs? Yes, if the issues are posed broadly enough. That is what we do every year in surveying our list of peer-nominated Hispanic Influentials. And each year—from the very first time we did the story back in 1983—we have been able to identify numerous important common threads in Hispanic opinion.

It is by emphasizing such commonalities rather than the factors that tend to be divisive that we have been able to define a set of interests common to Hispanic-Americans nationwide.

For example, we can currently find universal support in all quarters of the country for a common effort to ensure the highest possible count of Hispanics in the 1990 Census. Members of all groups support this common goal urgently and with the same purpose—to enhance the social, political, and economic empowerment of the U.S. Hispanic population.

We all know that the results of the Census will affect such bread-and-butter decisions as the distribution of federal funds and the reapportionment and redistricting of elected offices—both basic to the operation of the American system.

The Influentials are keen on this important decennial event, but they are also of quite the same mind on a number of other important questions. The absence of a recognized national leadership remains an important common concern. Similarly, the Influentials are concerned that the United States still does not confer anywhere near the foreign policy attention on Latin America that this region deserves given its strategic importance.

There is also a strong feeling among the Influentials that the structures of Hispanic organizations remain weak. This confirms an observation made in the pages of HISPANIC BUSINESS on more than one occasion—that Hispanics are making more progress in the United States as a result of individual efforts than collective efforts.

While this progress based on the energies of individuals appears to parallel the experience of other immigrant groups that make up our national fabric, it is not true of all. In any event, may I present some of the people who are making the progress—this year's 100 Influentials.

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HispanicBUSINESS®

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ONE 100 HUNDRED INFLUENTIALS

These Respected Role Models Are Building A Platform For The '90s.

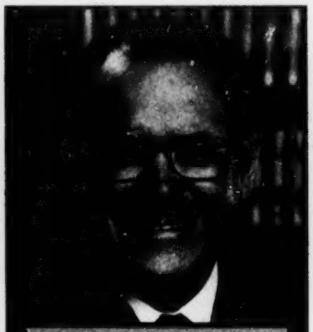
Who are the most influential Hispanics? And what's on their minds?

While the number of Influentials—100—is of course arbitrary, in selecting them from a large peer-nominated group, the Editorial Board of Hispanic Business looked for leaders who are making a difference in every field and in all parts of the country. These individuals range from the well known movers and shakers in Washington like Secretary of Education Lauro Cavazos and media figures like talk show host Geraldo Rivera to those who work quietly behind the scenes.

This latter group includes Bernardo (Mat) Perez, the deputy assistant director of the FBI laboratory in Washington who led a successful class action suit of 311 Hispanic agents against the FBI. Another behind-the-scenes Influential is Jorge H. del Pinal, who as Chief of Ethnic and Hispanic Statistics for the U.S. Bureau of the Census is playing a crucial role in the upcoming 1990 Census. Norma Cantu does double duty in the San Antonio office of the Mexican American Legal Defense and Educational Fund (MALDEF) both as a lawyer trying discrimination cases and as an administrator directing MALDEF's educational program in San Antonio. And biophysicist Dr. Manuel Navia works as hard at getting Hispanic youngsters into the sciences as he does at discovering the secrets of the AIDS virus for Merck Sharp and Dohme Laboratories.

The influence of Cuban-Americans continues to grow among the 100 Influentials, paralleling this group's increasing number in the Hispanic Business 500, which this year for the first time included more firms from Florida than from California. Further, the election of the first Cuban-American ever to the U.S. Congress epitomizes the increased power of this segment of the population. Ileana Ros-Lehtinen, who won a special election to fill the seat Florida Democrat Claude Pepper held for 27 years, also adds a new dimension to the Hispanic Congressional Caucus as its only member with a Republican vote. She was one of the first group of 100 Influentials in 1983, but she was then known as Ileana Ros, representing District 10 in the Florida state legislature. Only slightly less in the public eye is Jorge Mas Canosa, a self-made millionaire who is both president of Church and Tower, which is an engineering firm in Florida, and chairman of the Cuban American National Foundation since its inception in 1981.

English Proficiency and Education. While the faces of the 100



Cruz Reynoso
Special Counsel
Kaye, Scholer, et al.
Sacramento, CA

Judith Zaffirini
State Senator
State of Texas
Austin, TX

Diego E. Hernandez
Vice Admiral
Deputy Commander-In-Chief
U.S. Space Command
Peterson AFB, CO

Jorge H. del Pinal
Chief, Ethnic and Hispanic Statistics
U.S. Bureau of the Census
Washington, DC

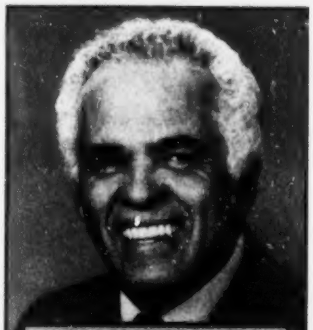
Influentials differ considerably from year to year, their answers to our probing questions indicate that the issues concerning them most have remained predominantly ones of language skills and education. The importance of English language proficiency continues to be the one issue that unites the 100 Influentials more than any other. Still, the number considering proficiency in English as very important has decreased from 98 percent in 1983, which was the first year we listed the Influentials, to 85 percent this year.

The Influentials' overwhelming agreement on education as the number one priority on the Hispanic agenda also stands out as a factor unifying Hispanics across all lines of ethnic origin, geographic location, and gender. As a point of comparison no one *social* issue we mentioned, except drug abuse, came even close to education in their assessment of relative importance. Housing, for example, is considered a very important issue by only 59 percent of the 100 Influentials, versus 91 percent in 1983.

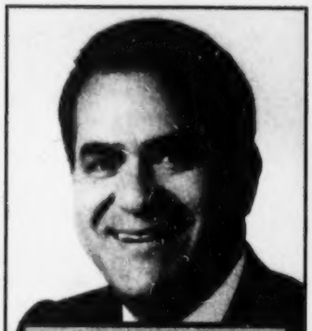
As TV's Geraldo Rivera puts it, "[Education] is the only way to arm ourselves for battle in the ferociously competitive world we live in. Because the family is still our strongest asset, we must give our children every advantage." And Secretary Cavazos adds that "Education is the tool we Hispanics can use to carve our niche and assure our prosperity in the future."

More specific questions that asked the Influentials to rate the relative importance of different educational fields gave computer science, math, business administration, and other applied sciences a big lead over degrees in teaching and, particularly, social sciences.

Unfortunately, few of our 100 leaders feel that public education has improved for Hispanic children. Nearly 70 percent believe it has either worsened (44 percent) or at best stayed the same (25 percent).



Angel M. Echevarria
President
Somma Mattress Company
Los Angeles, CA



Jorge Mas Canosa
President
Church and Tower of
Florida
Miami, FL

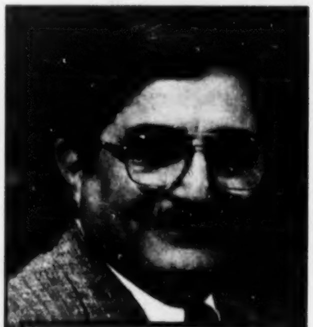
Ileana Ros-Lehtinen
Congresswomen
U.S. Congress
Washington, DC/FL

Reciprocal Trade. Another big point of agreement is that corporations with important Hispanic customer bases should "invest proportionately in Hispanic economic and human resource development" (what we termed "reciprocal trade"). While the Influentials have felt just as strongly about this question for years, there are more signs in 1989 that the large corporations are beginning to agree—on the human resource development side at least. As we discovered in pulling together our October 1989 issue on corporate culture, some leading companies, like Apple Computer, Inc., are deciding that an ethnically diverse organization best serves a diverse market.

On the other hand most of the Influentials don't see corporate

Cristina Saralegui
Host
"Cristina" Show
Univision
Miami, FL

Bill Richardson
Congressman
U.S. Congress
Washington, DC/NM



J. Adan Trevino
President
Pueblo Broadcasting Corp.
Houston, TX

Robert A. Estrada
Special Assistant to the President
The White House
Washington, DC

America as making progress in the use of minority suppliers. Seventy-seven percent rate this situation as only fair or poor. Indeed, **Hispanic Business**'s recent assessment of the University of California's giant procurement budget indicated that Hispanic suppliers are hugely underrepresented even in this public institution serving a state that is 24 percent Hispanic.

1990 Census. Do the Influentials believe the 1990 Census will improve corporate or public hiring of and sourcing from Hispanics? The majority agreed that the census will have an important impact on Hispanics politically, but most feel its economic effect will be limited. As Maria Jimenez Van Hoy of the New York State Insurance Fund put it, "Numbers translate into votes!" On the economic side, FBI Special Agent Paul P. Magallanes is among the optimists, predicting: "The 1990 Census will signal that Hispanics are the emerging majority. Economically, corporate America is already salivating in competition for the $170 billion Hispanic purchasing power." But Professor Norma Gonzalez Hernandez counters that statement bluntly, saying that "Hispanics will become targets of corporations to exploit their buying power without return to Hispanics."

Latin American Aid. Another of the top 10 points of agreement is that U.S. foreign policy makers should give "more consideration" to Latin American countries, given U.S. corporations' investment in and heavy exports to these countries. Therefore, although the 100 Influentials were split 47 to 38 percent on whether U.S. Hispanics could vote as a bloc "on many issues," Latin American trade may be an issue on which they could get together.

Affirmative Action. The majority of Influentials are for affirmative action goals in both college admissions and employment—although it is significant that the number *opposed* to such goals has increased since last year. As President Octavio Peña of Lynch International puts it, "Hispanic Americans don't need public handouts or jobs to fill up company quotas. They have to earn their way, and the only way to do this is through higher education."

Increases in U.S. Defense Spending Versus Cuts in Social Benefits. Asked if increases in defense spending concurrent with cuts in many federal programs that affect the welfare of Hispanics represent a fair balance in national economic policy, 71 percent, about the same as in previous years, said "no." A look

ONE 100 HUNDRED INFLUENTIALS

Paul Rodriguez
Comedian
Beverly Hills, CA

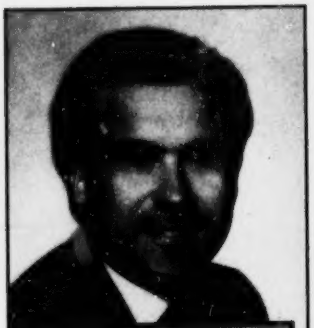
Rachel Elizondo McLish
Body Builder/Athlete of the Year
Los Angeles, CA

J. Antonio Villamil
Chief Economist
U.S. Dept. of Commerce
Washington, DC

Cathi Villalpando
U.S. Treasurer Nominee
U.S. Treasury Dept.
Washington, DC
(Pending U.S. Senate confirmation at press time.)

Octavio Peña
President
Lynch Int'l, Inc.
Fort Lee, NJ

John Gamboa
Executive Director
Latino Issues Forum
San Francisco, CA


Hugo Rodriguez
Senior Associate
Coffey, Aragon, Martin & Burlington
Miami, FL

at the other side of the coin—defense contractor purchases from Hispanic and other minority suppliers ("The Shrinking Pie," HISPANIC BUSINESS September 1989)—indicates that Hispanics are not getting their fair share of the defense dollar either, and are likely to suffer disproportionately from Department of Defense cutbacks.

Advocacy of Hispanic Business. Many of the 100 Hispanic Influentials had negative feelings about the Bush Administration's success in representing the interests of U.S. Hispanics. Nine percent consider it very successful, while 21 percent believe it is somewhat successful and 53 percent not very successful. Their indictment of the eight leading national Hispanic organizations as a group was even more severe. Sixty percent believe these organizations are not as effective as equivalent groups representing other minority constituencies in government and corporate America.

Assessments of the individual organizations indicated that MALDEF is most generally considered effective, and that three of the eight organizations were unknown to 27 percent or more of the 100. None of the organizations was familiar to everyone. Although this may have been because these groups were listed as acronyms—by their initials only—it also indicates considerable room for the groups to communicate their goals more widely.

By the same token, none of the eight leading Hispanic city, state, or federal politicians we mentioned is considered by even half of the Influentials to be "part of this country's emerging Hispanic leadership." Some of the problem in this area may be due to poor coverage by the non-Hispanic media of issues concerning U.S. Hispanics. Eighty percent rated this coverage as only fair to downright poor.

Spanish Language Proficiency. Sixty-four percent of our Influentials consider retention of Spanish language proficiency important. This is a reduction of 15 percent since 1988. While nobody reported speaking primarily Spanish on the job, 29 percent use both English and Spanish frequently in their work—versus 42 percent in 1983.

So goes the thinking of the nation's 100 most Influential Hispanics in 1989. How does that reflect *your* views? And how does this affect *your* business? HISPANIC BUSINESS would like your feedback—along with nominations and suggestions for the eighth annual selection of the 100 Influentials next year. Your thoughts can make a significant difference in the 1990s.

Mario Tamayo
Owner
Modern Objects
Hollywood, CA

Marta Tienda
Professor, Dept. of Sociology
University of Chicago
Chicago, IL

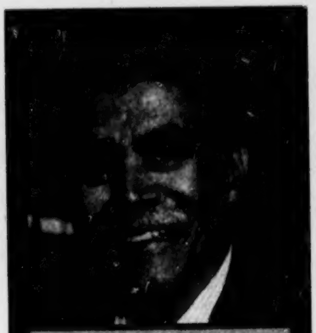
Kika de la Garza
Congressman
U.S. Congress
Washington DC/TX

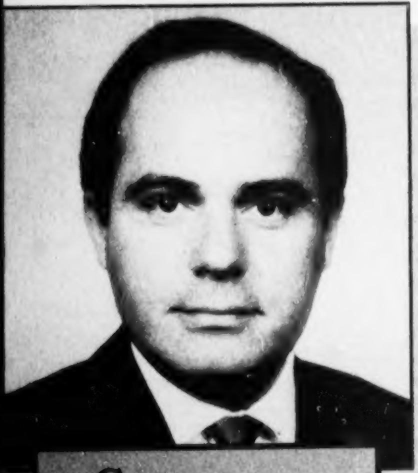
INFLUENTIALS

Fernando Ferrer
Borough President
The Bronx, NY

Maria Jimenez Van Hoy
Public Information Officer
NY State Insurance Fund
New York, NY

Sharon Gomez
Associate Director
NCCHE,
University of California
Irvine, CA


Rodolfo A. Anaya
Professor
University of New Mexico
Albuquerque, NM



Gustavo Pupo-Mayo
General Manager
El Nuevo Herald
Miami, FL

The Top 10 Critical Issues For 1990

1. How important is it that Hispanics acquire English-language proficiency?
Very important: 85% Somewhat important: 2%
Not important: 0% No answer: 13%

2. The need for higher education opportunities has become an increasingly important issue among Hispanics. Should education be the number one priority on the Hispanic agenda?
Yes: 82% No: 3% No answer: 15%

3. The term "reciprocal trade" describes efforts by large corporations that sell a significant number of products or services to Hispanic consumers to invest proportionately in Hispanic economic and human resource development. Do you agree with this concept?
Yes: 80% No: 4% No answer: 16%

4. How would you rate the social issue of drug abuse in terms of importance to the Hispanic community?
Very important: 73% Somewhat important: 11%
Not important: 0% No answer: 16%

5. Many large corporations invest in and export heavily to Latin American countries. Do you believe Latin America is given due consideration by U.S. foreign policy makers?
Yes: 12% No: 71% No answer: 17%

6. Do you support the concept of set affirmative action goals in college admissions?
Yes: 71% No: 10% No answer: 19%

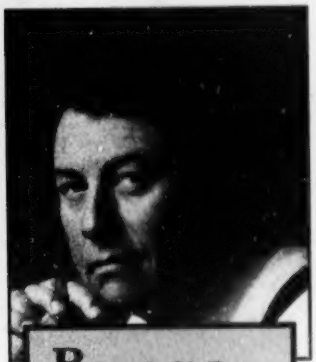
7. Is there a fair balance in national economic policy between increases in defense spending and cuts in many federal programs that affect the welfare of Hispanics?
Yes: 8% No: 71% No answer: 21%

8. Do you support the concept of set affirmative action goals in employment?
Yes: 69% No: 12% No answer: 19%

9. How important is it that Hispanics retain Spanish-language proficiency?
Very important: 64% Somewhat important: 21%
Not important: 2% No answer: 13%

10. How much political impact will the 1990 census have on U.S. Hispanics?
Heavy impact: 62% Moderate impact: 16%
Little or no impact: 8% No answer: 14%

Rita Moreno
Actress/Entertainer
Los Angeles, CA



Bernardo M. Perez
Deputy Asst. Director
FBI Laboratory
Washington, DC

Luis Valdez
Writer/Director
El Teatro Campesino
San Juan Bautista, CA

Emma Carrasco
Sr. VP, Marketing Services
Univision, Inc.
New York, NY

Demographic Profile

Total Group

Place of Birth:	59% U.S.	27% Abroad	14% No answer
Age:	3% Under 30 42% 40-49	26% 30-39 20% Over 50	9% No answer
Gender:	71% Male	29% Female	
Marital Status:	66% Married	18% Single	16% No answer
Heritage:	47% Mexican 16% Puerto Rican 3% Spanish	16% Cuban 2% Central American 16% No answer	
Education:	1% High school 13% College grad 54% Postgrad	12% Some college 8% Some postgrad 12% No answer	
Household Income:	1% Under $30,000 4% $30,000-49,000 37% $50,000-99,000	48% Over $100,000 10% No answer	
Language Preference:	*Business* 57% English 0% Spanish 29% Bilingual 14% No answer	*At Home* 35% English 7% Spanish 43% Bilingual 15% No answer	
Geographic Region:	41% Southwest 16% Southeast 1% Northwest	28% Northeast 3% Midwest 11% No answer	

ONE 100 HUNDRED

INFLUENTIALS

Jesus Salvador Trevino
Writer/Director
Los Angeles, CA

Blandina C. Ramirez
Dir. Minority Concerns
American Council on Education
Washington, DC

Julian Nava
Professor
Cal State Northridge
Northridge, CA

Charles Uribe
Chairman
Nat. Hispanic Business Group, PAC
New York, NY

Rodolfo Fernandez
Managing Partner
Touche Ross
San Diego, CA

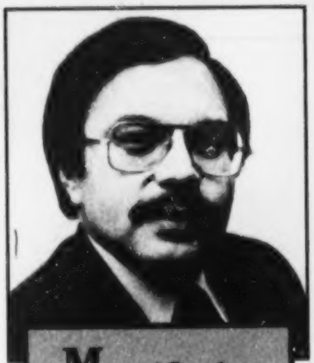
Edna R. Vega-Garcia
Assistant Commissioner
NY State Education Dept.
New York, NY

Demographic Profile

Mexican-Americans

Place of Birth:	83% U.S.	11% Abroad	6% No answer
Age:	6% Under 30	28% 30-39	
	38% 40-49	28% Over 50	0% No answer
Gender:	70% Male	30% Female	
Marital Status:	83% Married	13% Single	4% No answer
Education:	0% High school	13% Some college	
	17% College grad	13% Some postgraduate	
	53% Postgraduate	4% No answer	
Household Income:	2% Under $30,000	40% $50,000-99,000	
	7% $30,000-49,000	51% Over $100,000	
Language Preference:	*Business*	*At Home*	
	66% English	43% English	
	0% Spanish	4% Spanish	
	28% Bilingual	47% Bilingual	
	6% No answer	6% No answer	
Geographic Region:	72% Southwest	13% Northeast	
	9% Southeast	2% Midwest	
	2% Northwest	2% No answer	

Manuel A. Navia
Senior Research Fellow
Merck & Co.
Rahway, NJ



Manuel Sanchez
President
Vogt, Sanchez & Meadville
Encino, CA

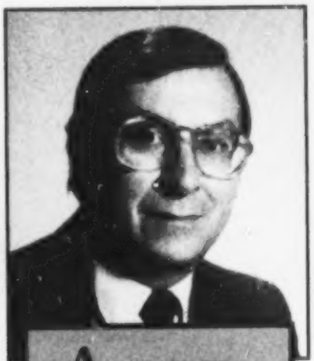
Maria Antonietta Berriozabal
City Councilwoman
San Antonio, TX

ONE 100 HUNDRED

INDIVIDUALS

Jan Michael Chavira
Olympic Hopeful, Skiing
College Student
Topanga Canyon, CA

Guadalupe C. Quintanilla
Assistant Vice President
University of Houston
Houston, TX



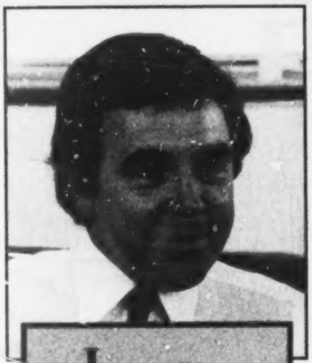
Antonio V. Silva
Attorney-at-Law
Silva, Silva & Herrera
El Paso, TX

Albert S. Jacquez
President
Latin American
Manufacturers Assoc.
Washington, DC

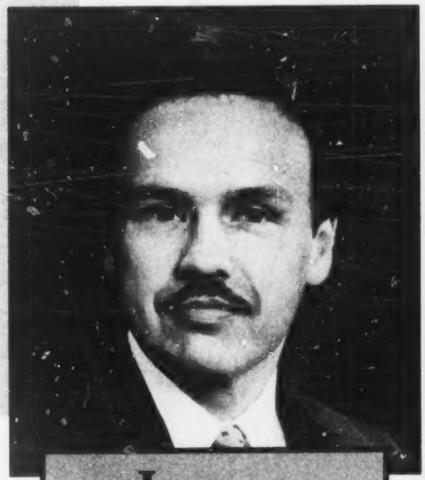
Demographic Profile

Cuban-Americans

Place of Birth:	6% U.S.	94% Abroad	0% No answer
Age:	0% Under 30 56% 40-49	38% 30-39 6% Over 50	0% No answer
Gender:	81% Male	19% Female	
Marital Status:	69% Married	25% Single	6% No answer
Education:	0% High school 19% College grad 68% Postgraduate	13% Some college 0% Some postgraduate 0% No answer	
Household Income:	0% Under $30,000 0% $30,000-49,000 31% $50,000-99,000	63% Over $100,000 6% No answer	
Language Preference:	*Business* 44% English 0% Spanish 56% Bilingual 0% No answer	*At Home* 19% English 25% Spanish 56% Bilingual 0% No answer	
Geographic Region:	0% Southwest 63% Southeast 0% Northwest	37% Northeast 0% Midwest 0% No answer	



Joaquin Blaya
President
Univision, Inc.
New York, NY



Jimmy Gurule
President
National Hispanic Bar Assn.
Los Angeles, CA

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INFLUENTIALS

Norma V. Cantu
Regional Counsel
MALDEF
San Antonio, TX

Horacio Gutierrez
Concert Pianist
New York, NY

Juan M. Soliz
Alderman/Committeeman
City of Chicago
Chicago, IL

Cari Dominguez
Dir., OFCCP
U.S. Dept. of Labor
Washington, DC

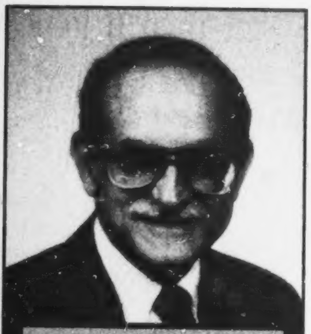
Demographic Profile

Puerto Rican-Americans

Place of Birth:	75% U.S.	19% Abroad	6% No answer
Age:	0% Under 30 44% 40-49	31% 30-39 25% Over 50	0% No answer
Gender:	44% Male	56% Female	
Marital Status:	56% Married	25% Single	19% No answer
Education:	6% High school 13% College grad 56% Postgraduate	6% Some college 13% Some postgraduate 6% No answer	
Household Income:	0% Under $30,000 6% $30,000-49,000 38% $50,000-99,000	56% Over $100,000 0% No answer	
Language Preference:	*Business* 75% English 0% Spanish 25% Bilingual 0% No answer	*At Home* 56% English 6% Spanish 32% Bilingual 6% No answer	
Geographic Region:	19% Southwest 6% Southeast 0% Northwest	69% Northeast 6% Midwest 0% No answer	

Esteban Torres
Congressman
U.S. Congress
Washington, DC/CA

Frank Tejeda
State Senator
State of Texas
Austin, TX



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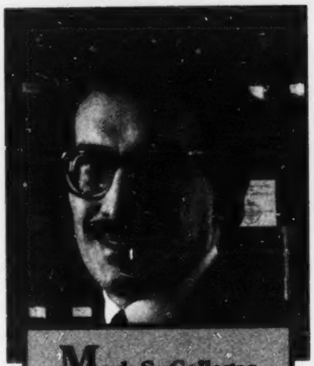

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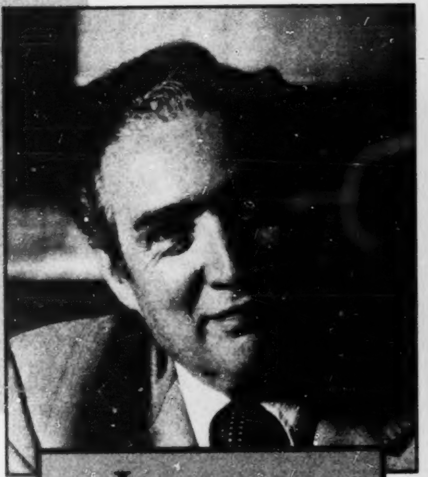
> *"Education is the tool we Hispanics can use to carve our niche and secure our prosperity in the future."*
> **— Dr. Lauro F. Cavazos**



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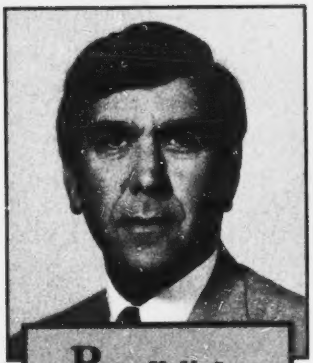

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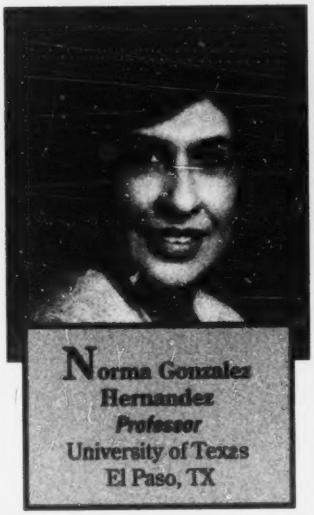

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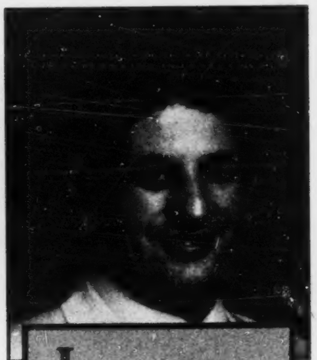

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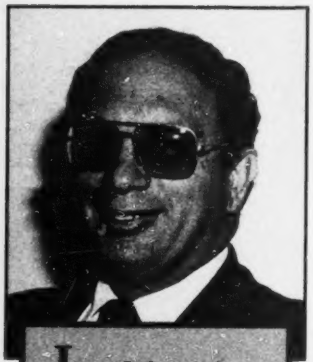

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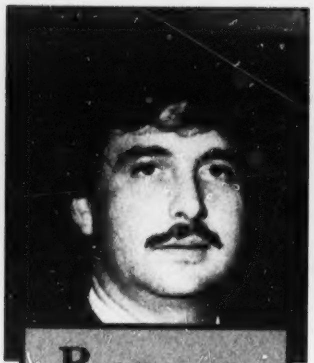

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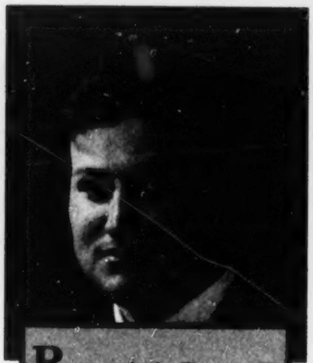

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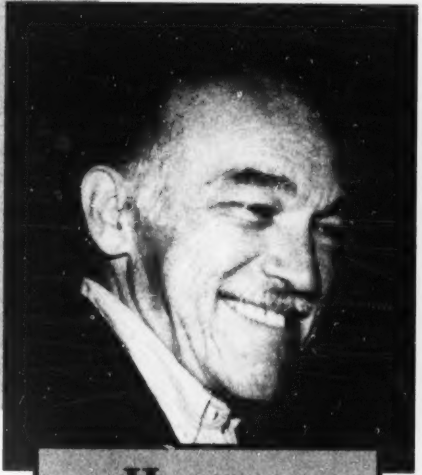
> *"In a democratic society education, hence knowledge, is the ultimate source of power. The uneducated individual must depend on others to protect his rights."*
>
> — Harry Caicedo



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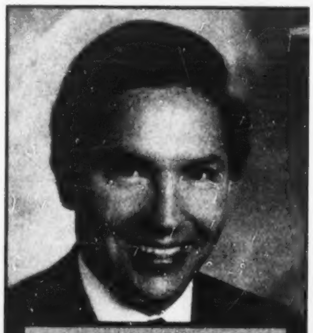

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Martha P. Cotera
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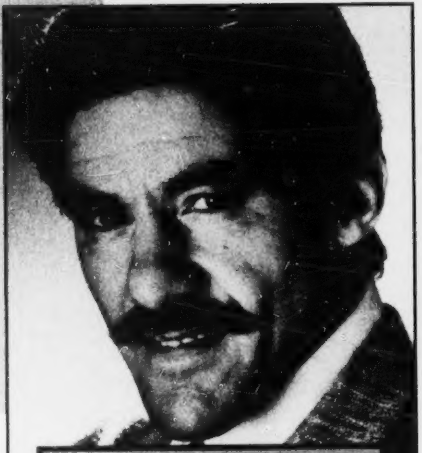
Partner
Gronemeier, Barker & Huerta
Pasadena, CA

> *"We are pathetically undercounted. A sincere 1990 effort will give us some local political advantage, but in the short future, at least, no dough."*
>
> **— Geraldo Rivera**



Geraldo Rivera
Host
"Geraldo" Show
New York, NY

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KMEX-TV
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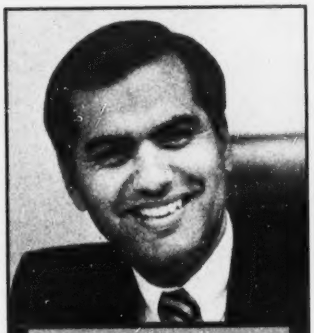

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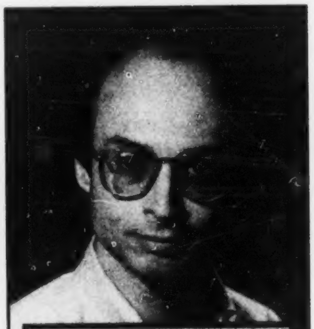

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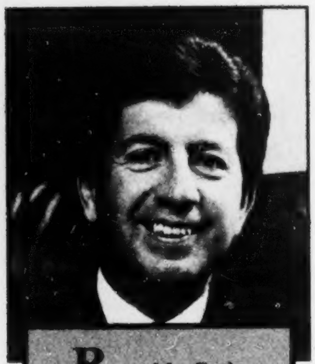
New York, NY



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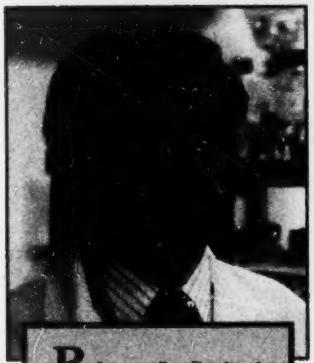

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> *"Children cannot be educated if the family is struggling to survive."*
> — **Richard Martinez**

ONE 100 HUNDRED

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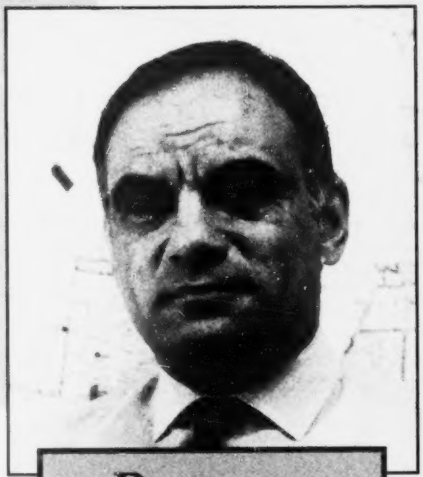

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Education Project
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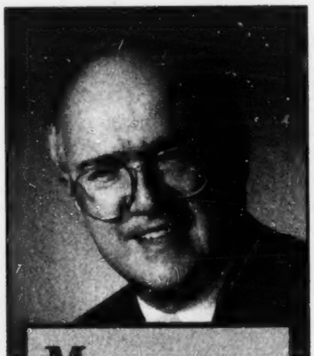
New York, NY



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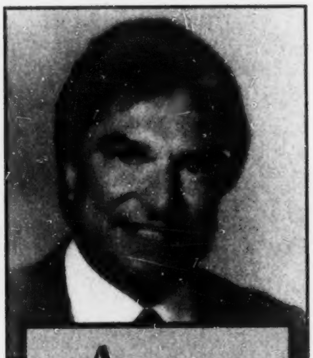

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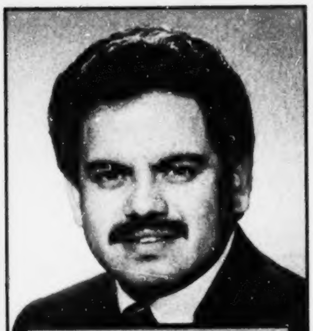

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Brooklyn, NY

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Codina Group
Miami, FL

> *"Economically, corporate America is already salivating in competition for the $170 billion Hispanic purchasing power."*
>
> **— Paul P. Magallanes**

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100
HUNDRED

INFLUENTIALS

Paul Magallanes
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Federal Bureau of Investigation
Los Angeles, CA

Joe Ortiz
Radio/TV Talk Show Host
GBM, Inc.
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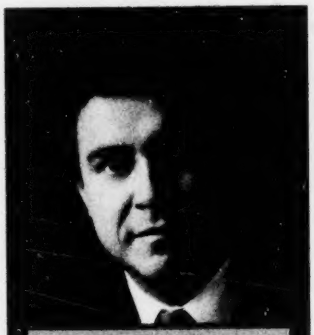

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CTA , Inc.
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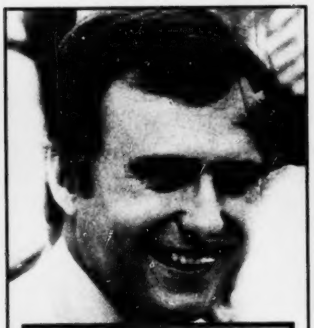

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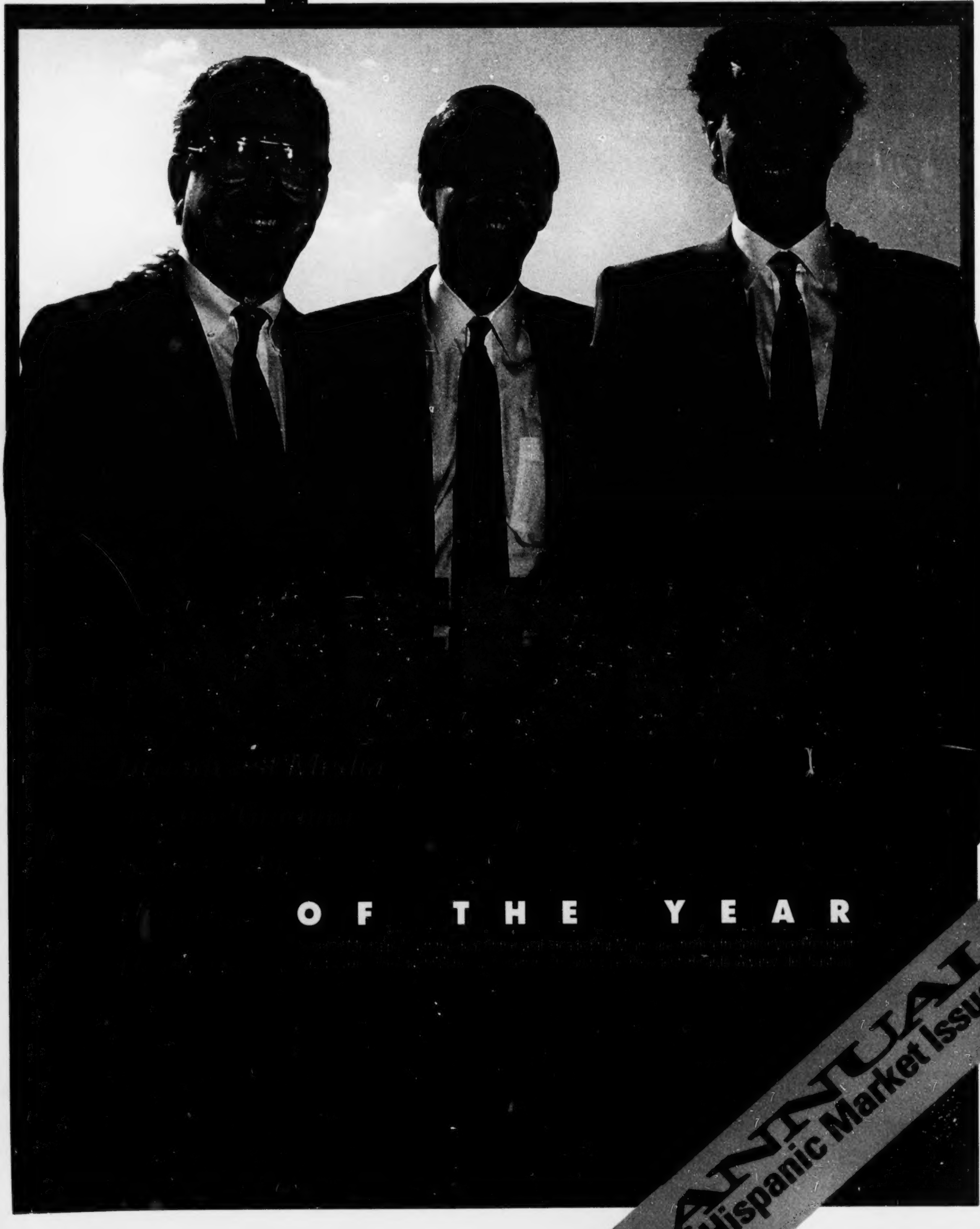

OF THE YEAR

ANNUAL Hispanic Market Issue

HispanicBUSINESS®
The magazine for growth companies and ladder-oriented professionals
December 1989 Volume 11, Number 12

24
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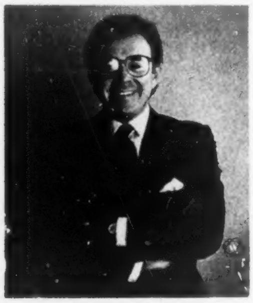

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Photo by Lynn Parks. This month's cover design by Buffalo Brothers Studios West.

VERIFIED AUDIT CIRCULATION

DIRECT LINE

This is how they think—the media deal makers. First get investors for your media venture, they say—the advertising dollars will come later. They had better be right.

Our survey of the U.S. Hispanic market shows that investors continue to pour capital into Hispanic media—from $70 to $100 million in 1989 just for the big headline deals—even though ad spending was virtually stagnant at a weak 6 percent growth rate.

The deal makers say the normal market dynamic is for media investments to head north before ad dollars. We think they are right—but from a long term perspective—and not because of the near term "market data" being touted by general market voices like *Time*, *Newsweek*, and *U.S. News & World Report*. These media continue to banner exaggerated movement in Hispanic-targeted advertising. For example, the October issue of *Inc.* magazine assured us of a 40 percent annual jump in Hispanic advertising expenditures "for the next five years"—without citing a source for the information.

That simply is not happening. Bill Grimes, chief of Univision Holdings, perhaps said it best: "This is not a get-rich-quick market."

The investments being made are impressive. Consider the appearance of *Más*, the slick new Univision magazine. Or the management-led purchase of Gannett's New York paper *El Diario-La Prensa* by Publisher Carlos Ramirez and investor-associates Peter Davidson and Rupert Phillips. Or the recent eight-figure buyout of the DeArmas Publishing Group to form America Publishing Group, Inc. This purchase by Madrid-based Grupo Anaya completes a publishing and distribution network that covers every Latin American country, the United States, and Spain.

And consider the biggest media deal of the year—Tichenor Media System's joint venture with Radio WADO to buy Miami's *la cubanisma* WQBA-AM/FM for $32.7 million. And finally, consider the many recent ownership changes in our Hispanic ad agencies, and the Telemundo/Univision joint investment of $18 million to gain A.C. Nielsen ratings for the Hispanic television market. All of these activities are the reverberations of expected ad spending growth.

But where are the advertisers now? They're not moving. Only one major advertiser continues to increase its advertising presence in the Hispanic market—Procter & Gamble. P&G is known worldwide for its shrewdness in marketing and selling its products, and for its frugality in making social investments in the markets it exploits. P&G's $30 million investment in 1989 ensured it an iron grip on the number one position among the Top 50 Hispanic Market Advertisers.

And, while Philip Morris Cos. decreased its presence in the market by more than $4 million, RJR Nabisco—leveraged to the hilt—dropped off the Top 50 altogether.

Despite the foot dragging in ad spending, all those media investors are not dumb. Guided partly by instinct and relying on their own careful studies of the indicators, they are positioning their equity for long-term growth.

So, yes, the market *is* hot and it has been another year of phenomenal growth—maybe not in ad dollars, but certainly in investment capital.

This issue examines it all. Power on.

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The Hispanic Market's Leading Indicators

By D. Carlos Balkan

For the first time since this magazine began to track Hispanic market ad expenditures, growth slowed this year to a single digit. Total ad expenditures increased by only 6 percent, from $550 million last year to $583 million.

The main explanation for this flattening growth rate is a seeming $11 million decline in television ad spending—from $251 million last year to $240 million in 1989. This apparent decrease actually reflects a one-time correction and improvement in the data gathering process.

Total radio expenditures on the other hand continued to show double-digit growth, increasing by 13 percent—from $176 million to $200 million. Indeed, radio was the big story in 1989, and the string of major deals done in this industry over the past two years shows no sign of abating.

Expenditures in other media showed a slight upturn, but nothing to get excited about. The biggest news regarding the top 50 advertisers in the Hispanic market is Procter & Gamble Co.'s growing grip on the number one spot. P&G's ad expenditures—for 30-plus brands—increased by about one-third, to almost $30 million. By contrast, although Philip Morris Companies, Inc. remained number two in the top 50, this company reduced its advertising to Hispanic consumers by one-third, and RJR Nabisco, which was number 47 last year, fell off the chart in 1989.

For the most part the remainder of the lineup shows no surprises. The list, which includes companies spending $1 million or more, remained unchanged at 50. Accounts falling out of the top 50 include Scott Paper, Eastern Airlines, and Bristol-Myers, and a few companies placed on the list for the first time—including Quaker Oats, which took 18th place, and Nestle Foods Corp., which is number 34.

Three of the top 50 advertisers are not companies at all but government agencies: the U.S. Army, the U.S. Post Office, and the California State Lottery.

And (at press time) several of the leading Hispanic market advertisers are actually subsidiaries of other corporations. Kinney Shoe Corp. is a subsidiary of F.W. Woolworth Co. Another shoe company, Payless Shoesource, is an operation of Volume Shoe Corp., which in turn is a division of the May Department Stores Company. Burger King was recently acquired by Grand Metropolitan Plc., a British firm. American Airlines is owned by AMR Corp.; Miles Laboratories is a subsidiary of Bayer AG; Nestle Foods Corp.

The 50 Leading Hispanic Market Advertisers—1989

Rank	Company	Media Expenditures ($M)	Rank	Company	Media Expenditures ($M)
1	Procter & Gamble Co.	$29.3	26	H.J. Heinz Co.	1.8
2	Philip Morris Cos.	8.6	27	General Mills	1.7
3	Anheuser-Busch Co.	8.4	28	J.C. Penny Co.	1.7
4	Colgate-Palmolive Co.	7.8	29	American Airlines, Inc.	1.6
5	McDonald's Corp.	6.9	30	Campbell Soup Co.	1.6
6	Coca-Cola Co.	6.0	31	Hershey Food Corp.	1.5
7	Adolph Coors Co.	5.2	32	Miles Laboratories, Inc.	1.5
8	Ford Motor Co.	5.0	33	Payless Shoesource	1.5
9	Johnson & Johnson	5.0	34	Nestle Foods Corp.	1.4
10	Sears, Roebuck & Co.	4.6	35	Sterling Drug, Inc.	1.4
11	Burger King Corp.	4.5	36	S.C. Johnson & Son, Inc.	1.3
12	AT&T	3.8	37	Jack in the Box	1.2
13	Pepsico, Inc.	3.8	38	Pacific Bell	1.2
14	American Home Products	3.7	39	Chrysler Corp.	1.1
15	Goya Foods, Inc.	3.3	40	Clorox Co.	1.1
16	Warner-Lambert Co.	3.3	41	Toys R Us, Inc.	1.1
17	CPC International	3.0	42	AMTRAK	1.0
18	General Motors Corp.	2.8	43	Beatrice Co.	1.0
19	Quaker Oats Co.	2.8	44	CA State Lottery	1.0
20	Ralston Purina Co.	2.6	45	Eastman Kodak Co.	1.0
21	Toyota Motor Corp.	2.6	46	K Mart Corp.	1.0
22	Lever Bros. Co.	2.5	47	Kimberly Clark Corp.	1.0
23	U.S. Army	2.4	48	Maybelline Co.	1.0
24	Kinney Shoe Corp.	2.0	49	Polaroid Corp.	1.0
25	Mars, Inc.	2.0	50	U.S. Post Office	1.0

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Hispanic Market Advertising Expenditures

Medium	Expenditures ($M)
National TV	$119.5
National Radio	51.5
Local TV	120.5
Local Radio	149.3
Independent TV	2.1
Print	57.2
Outdoors	17.3
Promotion	61.6
Transit	4.6
Total	$583.6

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is the American subsidiary of the Swiss-owned Nestle S.A.; Eastman Kodak Co. owns Sterling Drug, Inc.; Schering-Plough owns Maybelline Co.; Pacific Bell is part of Pacific Telesis Group; and Foodmaker, Inc. does business as Jack in the Box.

While our leading indicators are approximations filtered through a network of sources, mostly in the media, each of our annual efforts to generate the estimates has enhanced their reliability. Our figures for the top 50 Hispanic market advertisers and for Hispanic market expenditures by medium represent largely net advertising space and time costs. Similarly the dollar figures for the top 10 Hispanic media markets refer for the most part to net time and space costs.

D. Carlos Balkan is a freelance writer based in Santa Barbara, California.

The Leading Hispanic ADIs — 1989

		Expenditures in $M by Medium			
Rank	**Market**	**TV**	**Radio**	**Print**	**Total**
1	Los Angeles	$79.0	$35.9	$16.2	$131.1
2	Miami	43.0	33.1	16.4	92.5
3	New York	49.5	25.5	15.4	90.4
4	Chicago	16.0	13.5	1.1	30.6
5	San Fran/San Jose	14.9	9.5	0.4	24.8
6	San Antonio	9.2	10.1	0.5	19.8
7	Houston	9.0	9.5	0.4	18.9
8	San Diego	6.0	6.0	0.3	13.1
9	Phoenix	5.2	5.5	0.2	10.9
10	El Paso	3.1	6.5	0.2	9.8
Totals		$235.7	$155.1	$51.1	$441.9

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Market Demographics — 1988

Purchasing Power by Market

	Hispanics	Blacks	Whites
Household Money Income			
Aggregate total ($B)	$160	$243	$2,853
Median Income	$20,359	$16,407	$28,781
Mean Income	$25,993	$22,477	$35,468

The aggregate total income for Hispanics rose from $140.5 billion in 1987 to $160 billion in 1988. In addition, the number of Hispanic households increased from 5.69 million to 5.91 million. According to the Census Bureau, over 1 million of these households maintain an income of $40,000 or more, and 210,000 have an income of $75,000 or more annually.

Percent of Total Population by Special Characteristics

	Hispanics	Blacks	Whites
By Residence			
Metropolitan Areas	92%	83%	76%
(Central City)	53%	57%	25%
(Suburbs)	39%	26%	51%
Nonmetro Areas	8%	17%	24%
By Region			
Northeast	18%	16%	21%
Midwest	7%	19%	26%
South	32%	56%	33%
West	43%	9%	20%
By Sex			
Family Households	82%	70%	71%
(Married Couple)	57%	35%	59%
(Male No Wife)	19%	4%	3%
(Female No Husband)	5%	31%	9%
Nonfamily Households	18%	30%	29%
(Male Nonfamily)	10%	14%	13%
(Female Nonfamily)	8%	16%	16%

	Hispanics	Blacks	Whites
By Size of Household			
2 Persons	26%	34%	43%
3 Persons	25%	26%	23%
4 Persons	24%	20%	21%
5 Persons	14%	12%	9%
6 Persons	6%	4%	3%
7 Persons	5%	4%	1%
By Age (Head of Household)			
15-24	9%	8%	4%
25-34	31%	28%	22%
35-44	25%	26%	25%
45-54	15%	15%	17%
55-64	11%	12%	15%
Over 64	9%	11%	17%
By Education (Head of Household 25 years or older)			
High School Grad Only	27%	36%	37%
At least 1 Year of College	23%	28%	41%

Source: Unprinted current population survey data from the U.S. Census Bureau (Series P-60) and advance data from the March 1988 Current Population Survey. Reprinting or copying all or any part of this information requires written permission from HISPANIC BUSINESS, INC.

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New Leading Indicator: Broadcast Media Effectiveness

Hispanic Business is reporting on an additional leading indicator for the Hispanic market this year—broadcast media effectiveness, or coverage. Our report on media effectiveness identifies the top 10 areas of dominant influence (ADIs) in the country in terms of media coverage.

The media effectiveness quotients we developed to determine the top 10 ADIs represent the number of Spanish language radio and television broadcast hours available each week, divided by the individual ADI's Hispanic population in thousands.

The ADIs that we used were developed by Arbitron, Inc. for the television market. Each of these 205 ADIs represents a county, group of counties, or group of ZIP codes within a major metropolitan area.

Our analysis showed that San Diego leads the nation in media effectiveness, and two other ADIs along the U.S.-Mexico border—El Paso and San Antonio—follow in second and third places. The nation's largest cities are farther down on the list, with the biggest Hispanic markets—Los Angeles and New York—placing eighth and tenth.

This ranking reflects the activities of both U.S. and Mexican broadcasters along the border, which provide many times more Spanish media coverage to their viewers and listeners than do broadcasters in the major population centers.

Clearly there is considerable potential for greater media effectiveness in these large U.S. cities.

Media Effectiveness

ADI	*Hispanic Pop. (in 000s)*	*Media Coverage (Hrs/week)*	*Effectiveness Quotient*
San Diego*	400	1,799	4.49
El Paso*	481	1,712	3.55
San Antonio*	856	2,169	2.53
Phoenix	371	780	2.10
Miami	834	1,538	1.84
Houston	712	1,260	1.76
San Fran/ San Jose	814	833	1.03
Los Angeles	3,734	2,188	0.58
Chicago	751	503	0.67
New York	2,438	951	0.39

* Includes stations in Mexico.

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MEDIA deal OF THE YEAR

With recent acquisitions in Miami, the Tichenor network consolidated its dominance of Hispanic radio.

By Joel Russell

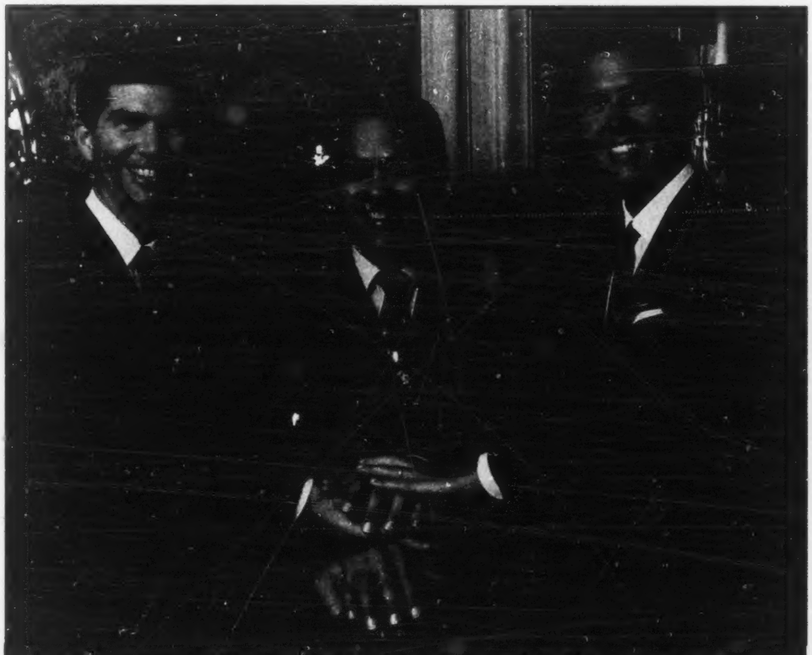
"The landscape is changing in Spanish radio," says McHenry Tichenor, Jr., a gentlemanly Texan whose family has been in Spanish radio since 1949. "For a while there was SBS [Spanish Broadcasting System], which was in the three big markets, and us [Tichenor Media System], who had the heartland, and Lotus. Now Cecil Heftel is putting a group together, and I hear rumblings of others putting groups together. That's going to change the way Spanish radio is done in this country."

Indeed, in a business where stand-alone stations are the norm, the formation of station groups, "networks," and affiliations is changing the structure of the industry. Since 1987 the price of Spanish radio properties has skyrocketed; complicated deals have created mergers, spin-offs, and debt-leveraged buys. And this in turn has shifted alliances among national radio reps and research companies, and even affects the music that Hispanics hear as they drive to and from work.

In August Mr. Tichenor's company made the biggest Spanish media deal of the year. First, it negotiated a joint venture that gave it 50 percent ownership of WADO-FM in New York. Then WADO and Tichenor paid $32.7 million for WQBA AM/FM in Miami. What's next? "We are probably going to digest Miami and New York for a while," says Mr. Tichenor. Then he plans to buy more stations.

He is not alone. Last year SBS paid $55 million to acquire WEVD-FM in New York. The same week that Tichenor announced the WQBA deal, Heftel Broadcasting merged with Mambisa Broadcasting to form a station group called Viva America. Industry players agree that the stampede to buy will continue until each group can plug holes in its coverage. Tichenor dominates Texas and Chicago, but lacks California. SBS, the only group with AM/FM combos in Los Angeles, New York, and Miami, has no stations outside those markets. Viva America has a strong presence in Los Angeles, San Francisco, and Miami, but not New York.

Broadcasters who aspire to acquire properties are hungry for stations in the top Spanish markets. The numbers tell why. This year advertisers spent approximately $201 million on Spanish radio. The top 10 markets accounted for 75 percent of total expenditures, or $155.1 million. More than half the money spent on Spanish radio was concentrated in four markets—New York, Los Angeles, Miami, and Chicago. "It's bottom-line dominance. The more markets you dominate in the top 15 markets, the bigger your company will be," says Gene Bryan, sales manager at Katz Hispanic Radio, a national rep firm.



The Tichenor team huddle: (from left) McHenry Tichenor, Julio Mendez, station manager, WQBA-AM and FM, and Warren Tichenor, vice president/general manager WQBA AM and FM. Photo by Lynn Parks.

Outside of the top 10 markets, Spanish stations are still owned on an individual basis. But aside from bigness for the sake of bigness, the repercussions of consolidated ownership depend on the new owners. In Tichenor's case, a new management system is a key ingredient. WQBA previously belonged to Susquehanna Broadcasting, an English language station group. WQBA's General Manager George Hyde, whom one Tichenor executive called "a Susquehanna element," has announced he will leave the station to take another job. His replacement will be a Tichenor person. Tichenor works with a "management by objective" methodology, which it plans to apply to WQBA and WADO. Aside from Mr. Hyde, however, no personnel changes are on the table. Herb Levine, the general manager of WADO, is a well-respected Spanish broadcaster and part owner of the station.

Plans are to make both new Tichenor stations lean and mean. At WADO, Ricardo Alvarez del Castillo, Tichenor's vice president of operations, plans to consolidate the studios, now located in New Jersey, and the sales office, now in New York. Despite the expense of renting studio space in Manhattan, the station will reap the benefit of on-the-spot interaction between the sales, traffic, and production departments. In Miami the building in which WQBA is located has an estimated value of at least $4 million. It will be sold to free up money for broadcast investments as soon as the new space is rented, Mr. Castillo says. Tichenor will retain a lease of the broadcast and production studio, which is a state-of-the-art facility designed especially for station WQBA.

Tichenor currently owns or controls 12 stations, twice as many as anyone else in Spanish broadcasting. With New York and Miami in hand, it has outlets in six of the top 10 markets. The last frontier is California, whose three top markets had combined billings of $51 million in 1989. "We are always ready to get into the Los Angeles market," says Mr. Castillo. "We're [also] interested in expanding our stations in Houston and San Antonio. We only have AM stations there. We are interested in acquiring FM stations so that we don't have stand-alones, only combos, in all of our markets."

The broadcaster with the most Spanish stations after Tichenor is SBS, with six. The difference is that SBS owns combina-

The Price Tag
OF THE YEAR

On August 8 Tichenor Media System and Radio WADO, Inc. announced their agreement to purchase WQBA-AM/FM in Miami. The total price tag was $32.7 million. The sale was the largest media acquisition of the year in the Spanish market.

The transaction was quite complicated. A broker first contacted Tichenor about WQBA two years ago. Susquehanna Broadcasting Co., which owned WQBA, wasn't ready to sell, but the broker thought he could swing a deal for the right price. The plan stagnated, and in the meantime Tichenor began talking with WADO-AM in New York about an affiliation of some sort. The owners of WADO—Andrew, Tony, and Mark Blank; Louis Wolfson III; and General Manager Herb Levin—had been involved in broadcasting in Miami before they bought WADO in 1987. Mr. Levin is the former general manager of WQBA in Miami. Personalities aside, there is "a certain synergy" between the Miami and New York Spanish radio markets, notes McHenry Tichenor, Jr., president of Tichenor Media System.

Fortuitously, two deals came together at the same time. First, WADO and Tichenor formed a 50-50 partnership, with each partner contributing about $10 million in equity. Radio WADO's contribution was WADO-AM.

The partnership then made a deal to buy WQBA—paying approximately 50 percent of the price in cash and the other 50 percent in bank notes. The price includes $25.7 million for the radio operation and $7 million for the building where WQBA's studio and offices are located. The debt arrangement is still in negotiation, with several banks in the running, Mr. Tichenor says. No investment banker was involved in the transaction, and Mr. Tichenor himself negotiated the deal. As part of the partnership agreement, Tichenor will operate and manage WADO-AM and WQBA-AM/FM.

Tichenor Media's partners are (from left) Louis Wolfson III, chairman of Radio WADO, Inc.; Mark Blank, president; and Andrew Blank, vice president.

The package still requires FCC approval. One of Tichenor's first moves will be to sell the WQBA building. "We don't want to be in the real estate business," he explains.

The change in ownership has a ripple effect in the radio rep industry. Because all Tichenor properties are repped by KATZ Hispanic Radio, the partners' stations will switch to KATZ from Caballero Spanish Media. While refusing to discuss dollar figures, KATZ's Gene Bryan admits that the new stations will make a "hefty" contribution to the firm's bottom line. "There's no doubt that KATZ will benefit heavily from the acquisition," he says. On the flip side, Caballero looks likely to gain two Miami radio stations, WAQI-AM and -FM, as part of a joint venture with ties to the Caballero group.

Mr. Tichenor says that the partnership will probably purchase the additional stations needed "to fill out the complement of stations in the top 10 Hispanic markets, particularly Los Angeles and San Francisco."

TOP 10 BILLING STATIONS

	Stations	Billings ($ M)
1.	KLVE (FM)/KTNQ (AM) Los Angeles	$17.5
2.	WCMQ (AM&FM) Miami	11.5
3.	WQBA (AM&FM) Miami	10.0
4.	WIND-WOJO (AM&FM) Chicago	10.0
5.	WSKQ (AM) New York	9.0
6.	KWKW (AM) Los Angeles	8.1
7.	WADO (AM) New York	6.0
8.	KSKQ (AM) Los Angeles	5.5
9.	WAQI (AM) Miami	5.0
10.	KALI (AM) Los Angeles	4.0

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Source: Original research by HISPANIC BUSINESS.

NATIONAL MARKET SHARE

Company	Market Share
Caballero	41%
Katz Hispanic Radio	29%
Spanish Broadcasting System	19%
Lotus Hispanic Reps	11%

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tion AM/FM stations. This allows it to grab two audiences in the big, lucrative markets. FMs typically attract young listeners, the segment that advertisers most want to reach. Research shows that SBS has indeed successfully differentiated two audiences in the Spanish market.

"People have watched what I've done and now they are trying to do it too," says Raul Alarcon, Jr., president of SBS. "They started at the lower end and they're buying up. I started at the high end, so that I can cherry-pick markets and properties now. All things considered, I've made a very good investment in radio."

So far most of the investment has been with other people's money. Mr. Alarcon's debt burden was reported in *Advertising Age* at about $118 million. Although his FM station in New York has been a success from day one, interest never sleeps. "There's been a lot of speculation about my debt scenario," responds Mr. Alarcon. "I let everybody talk. Do I have debt? Yes, of course I do. I bought a $55 million station. By the way, it's doing gangbusters."

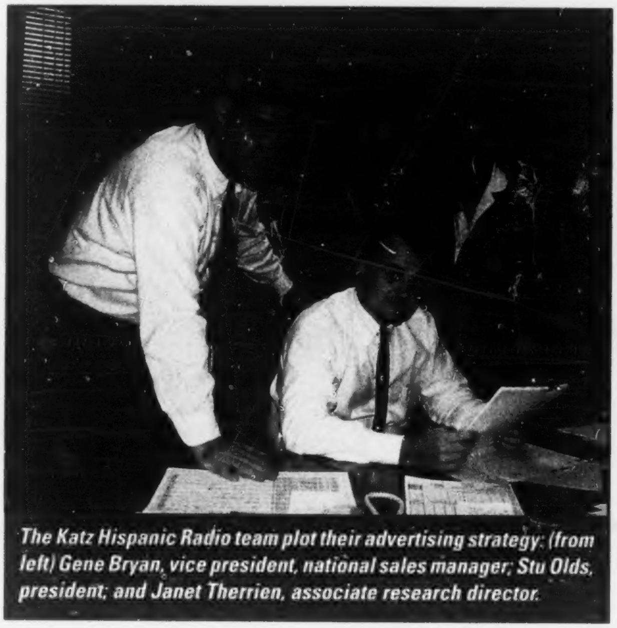
Mr. Alarcon made a bid of more than $30 million for WQBA, which included a special minority tax certificate worth another $3 million. He was rejected, he says, because he already owns stations in Miami, and FCC rules would require him to "spin off" one AM and one FM. He remains undaunted, saying that SBS is looking to expand beyond radio. The company already has its own rep firm, a promotion firm to organize concerts and events, and a supermarket merchandising plan. Now he wants to try syndication and television. Mr. Alarcon is working on "a big surprise" for early next year that should ease the debt service, he says.

Eduardo Caballero, president of Caballero Spanish Media. Like Don Quixote he will "continue to fight against the giants."

Viva America, the newest station group formed through the merger of Heftel Broadcasting and Mambisa Broadcasting, dominates the Los Angeles market with KTNQ-AM and KLVE-FM, the biggest billing combo in the United States ($17.5 million). Viva America owns four stations in three markets. Coowner Mr. Heftel is actively pursuing a New York property. That would allow Viva America to duplicate SBS's offering of New York-Los Angeles-Miami media placements, a common strategy among Hispanic media buyers.

The advantage gained by all this merger and acquisition activity remains unclear. Conventional wisdom holds that the chemistry of each radio market is unique, and programming decisions cannot be generalized. "There's a lot of talk about networks in Spanish these days. We don't see our group as a network in the classic programming sense," notes Mr. Tichenor. "We let each station develop its own personality, because the markets are all different...We are more interested in building the group because Spanish radio is what we know how to do, not because the addition of Miami or New York is going to make a difference in a network lineup."

National radio reps, who place national ads with local stations, agree. "Spanish radio is on a market-by-market basis," says Mr. Bryan of Katz. "You can't put Spanish radio into one format because of the geographical and cultural differences among the different Hispanics in the United States. That's why an all-music format to appeal to all Hispanics throughout the U.S. has not succeeded in the past," he continues.

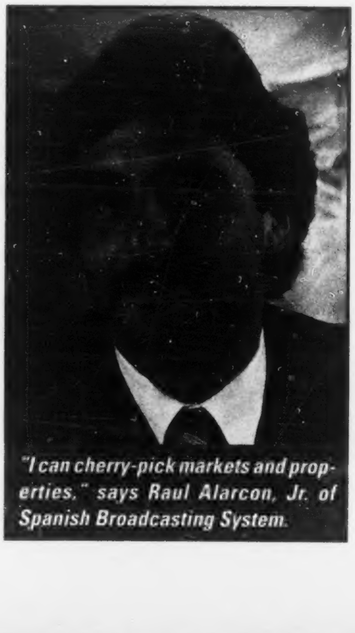


The Katz Hispanic Radio team plot their advertising strategy: (from left) Gene Bryan, vice president, national sales manager; Stu Olds, president; and Janet Therrien, associate research director.

"You don't run the same program in San Antonio that you run in Corpus Christi, and they're only 100 miles away," says Eduardo Caballero, president of Caballero Spanish Media (CSM), another rep firm. "I haven't seen any network programming succeed in this country."

The exception to the rule is SBS. A pioneer in developing the "international sound" in New York, SBS has exported the concept to Miami and California. Regardless of the market, ballads by artists such as Julio Iglesias and Jose Luis Rodriguez make up about 60 percent of the play list on an SBS station, according to Tony Campos, programming director for SBS. The other 40 percent varies from station to station, market to market. Mr. Campos's formula blends music oriented to the local market and the international sound. In Los Angeles, for example, he looks for songs that lend a Mexican flavor, such as Mexican groups with a tropical sound, rather than a ranchera style. SBS foresees that the news/talk format will gain popularity, but the company is nonetheless committed to the international format, Mr. Campos says. As the company acquires new stations, the same music mix will be applied to new markets.

Changes in ownership have caused a hat dance of shifting alliances among national reps. When Tichenor bought an interest in WQBA and WADO, both stations were represented by CSM. But Tichenor properties are repped by Katz, and Mr. Tichenor has announced his intention that WQBA and WADO switch to Katz. The loss would be a blow to CSM, the company that established Spanish radio on a national basis. The Viva America deal brings together CSM-repped KTNQ-AM/KLVE-FM and the Katz-repped WAQI AM/FM.



"I can cherry-pick markets and properties," says Raul Alarcon, Jr. of Spanish Broadcasting System.

Historically, the growth of station groups has paralleled the division of the national rep pie. In 1986, Caballero dominated the radio market. Then Katz, a former client, decided to become a competitor. Katz opened its door to rep the seven properties Tichenor owned at the time. And finally SBS bolted by creating its own in-house rep firm. Today, Katz and SBS rep 40 stations between them. Mr. Caballero notes that the symbol of his company is Don Quixote, and it will "continue to fight against the giants."

Competition should remain stiff, because the growth in radio ad spending has slackened, Mr. Caballero says. He attributes this to Spanish television expansion. Start-up television outlets (new stations and networks) have a tough time filling commercial slots, and are forced to undercut rates. Mr. Caballero says that in some markets advertisers can buy a 30 second television spot for the same price as a 30 second radio spot. "That's happening at the local, national, and network levels."

Against the threats of television, low rates, and new advertiser skepticism, radio has one hope: better numbers. "We all scream that Spanish radio is as good as television, but when you go to the numbers, they don't reflect it," says Mr. Bryan of Katz, "Agencies are going to demand more and more research."

"As an industry, Spanish radio is underpriced compared to the general market," says David Lykes, who is the vice president of sales at Tichenor. "The reason is that historically there has been a lack of reliable research to substantiate the audience. As research improves, the advertising rates will rise."

But, as Mr. Tichenor himself observes, "It's easy to say that you want better numbers, and hard to get them. To do it right in the Spanish market would be very expensive. There just aren't enough people to split the cost."

Two rating methods serve the industry. Arbitron uses a seven-day diary which is mailed to listeners' homes. Hispanic respondents are sought in proportion to their population in the market. Birch Radio uses a telephone interview methodology in the top 16 Spanish markets. Both services are trying to improve. Birch has fine-tuned its methodology to conform to recommendations of the Spanish Radio Advisory Council, a group of industry leaders. Arbitron plans to combine several surveys in order to give a larger sample size of Spanish listeners. But, Mr. Caballero says, "By the time the numbers are published, they might be obsolete."

One set of numbers that will affect Spanish radio for the next decade is the 1990 Census report. "Spanish media should concentrate on promoting the Census among our constituency," says Mr. Caballero. "We have a lot of hopes for what will come out of it." Ⓗ

accounts$, billing$, and top dog$.

A YEAR OF CHANGE TRANSFORMS HISPANIC AD AGENCIES

by Rick Mendosa

A year of unprecedented change has turned the world of Hispanic advertising agencies upside down. After a quiet period of steady growth, many of these companies have either recently merged or been acquired by major mainstream agencies. Their clients meanwhile are playing musical chairs.

To understand the turmoil in this newly volatile arena, **Hispanic Business** identified the 20 agencies now handling the greatest amounts of Hispanic advertising. Our survey of business and ownership for the "top 10" billers in this group provided some surprising results.

The rapid growth of Sosa & Associates in San Antonio—whose billings now rival those of long-time leader Mendoza, Dillon & Asociados of Newport Beach, California—was such a surprise that several competing agencies found the numbers hard to accept. Sosa, which is the only top 10 agency not located on one of the two coasts, had capitalized billings of $53.5 million in its fiscal year ending June 30. Sosa substantiated this total by providing comprehensive details in confidence to **Hispanic Business.**

The nature of Sosa's business changed dramatically this year as it took on the national accounts of several major clients. In past years its billings had been mostly regional and went largely unnoticed. "Before this year 60 percent of our billings were for regional assignments," says Lionel Sosa, president of Sosa & Associates. "This year it flip-flopped so that our national business is probably 85 percent now."

Sosa was also the winner in some of the year's biggest client shifts, which represent considerable additional billings not reflected in the company's statement for its last fiscal year. Sosa picked up the national Hispanic marketing business of both Burger King and Coca-Cola USA from Castor GS&B (which as Castor Spanish International had handled the Coca-Cola USA account since 1983). The Burger King coup was to some degree related to Sosa's planned affiliation with D'Arcy Masius Benton & Bowles USA (DMB&B), which is Burger King's general market agency. "They introduced us to Burger King," says Mr. Sosa.

Mendoza, Dillon, which had an outside accountant certify its billings, reported $48.6 million for the most recently completed fiscal year. Since this report was for calendar year 1988, the company's figures are not strictly comparable with Sosa's. Both Mendoza, Dillon and Sosa are projecting sizeable increases for this year.

Castor GS&B is the third agency near the top of the chart. But unlike the other two leaders, Castor GS&B did not respond to repeated requests for substantiation of its numbers. Analysis of these numbers is complicated because the firm is a new one, born of a merger this year between two Hispanic firms, Castor Spanish International (CSI) and Garcia-Serra & Blanco (GS&B). "Castor" is Castor Fernandez, the chairman and top salesman; "Garcia-Serra" is Al Garcia-Serra, the CEO and strategic marketer; and "Blanco" is Julio Blanco, the creative talent.

Earlier this year **Hispanic Business** reported data provided by CSI and GS&B individually (see "Strength in Numbers," September 1989). These numbers indicate combined billings of $52.6 million, which is close to the total billings of $55 million the company claimed in response to our survey. Because only 80 percent of Castor GS&B's business is in the Hispanic marketplace, the resulting figure of $44 million places it third in our ranking. And although Castor GS&B lost

Lionel Sosa (seated) meets with his associates (left) Al Aguilar, vice president, account management, and Ernest W. Bromley, executive vice president.

TOP 10 HISPANIC ADVERTISING AGENCIES • 1989

Name & Location	Percent U.S. Hispanic Owner	Percent Hispanic Ad Billings	Total Actual Billings ($Mil)[a]	Actual Hispanic Billings ($Mil)	Basis Of Actual Billings	Ownership/ Affiliation	Top Three Clients
Sosa & Associates San Antonio	100[b]	100	53.5	53.5	Sosa & Trinet[c]	DMB&B	GTE-Calif. Anheuser-Busch Coca-Cola USA
Mendoza, Dillon Newport Beach, CA	0[d]	100	48.6	48.6	CPA	WPP Group	Miller Brewing Johnson & Johnson Sears
Castor GS&B New York	100	80	55.0	44.0	Estimate	—	McDonald's Anheuser-Busch Procter & Gamble
The Bravo Group New York	0	100	34.9	34.9	Estimate	Young & Rubicam	RJR Nabisco Warner Lambert CPC/U.S. Army
Font & Vaamonde New York	51	100	32.5	32.5	Estimate	Grey	Procter & Gamble General Foods Coors
Bermudez Assoc. Los Angeles	100	100	29.6	29.6	CPA	—	AT&T Disneyland Bank of America
Noble y Asociados Irvine, CA	0[e]	100	24.6	24.6	CPA	—	Procter & Gamble Lenscrafters Campbell's Soup
Casanova-Pendrill Irvine, CA	100	100	23.3	23.3	CPA	—	Calif. Lottery Pacific Bell General Mills
Publicidad Siboney New York	51	100	21.2	21.2	Tax Return & Trinet	Foote, Cone & Belding	Colgate Palmolive Pepsi Cola Bristol Myers
Conill Advertising New York	0	100	20.0	20.0	Estimate	Saatchi & Saatchi	Procter & Gamble Miles, Inc. Toyota, Inc.

(a) Year ends 12-31-88 for Mendoza, Dillon; Castor GS&B; Conill Advertising; The Bravo Group; Font & Vaamonde; and Publicidad Siboney. Year ends 4-30-89 for Bermudez Associates. Year ends 6-30-89 for Sosa & Associates and Noble y Asociados. Year ends 7-31-89 for Casanova-Pendrill. See sidebar for capitalized billings formula. **(b)** Sale of 49 percent pending to D'Arcy Masius Benton & Bowles. **(c)** Trinet Company Database. **(d)** B (non-voting) stock 51 percent Hispanic owned. **(e)** Owner is U.S. resident Mexican citizen.

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the Coca-Cola USA and Burger King accounts this year, it gained a biggie when it won McDonald's from Conill Advertising. *The U.S. Hispanic Report* had called this "the year's biggest coup," but that was before Sosa snatched away the Coca-Cola and Burger King accounts.

When HISPANIC BUSINESS asked some of the top 10 to review and comment on our preliminary survey of their competitors' billings, we were surprised to learn the degree of uncertainty and lack of credibility that the figures engendered. Almost every agency came in for criticism from its peers for "exaggerating" the numbers. "The degree of credibility with billings," says one CEO who requested anonymity, "is very low, and unfortunately [that is] justified. People do blow up their billings. It doesn't apply just to the Hispanic market—people blowing up their billings is very much a part of the advertising world."

Another agency head said, "Everybody feels that if they have lots of billings, clients are going to see that and say, 'Hey, this is an agency we should talk to.'" A third CEO said, "They're a lot of clowns in our business. But we don't have any reason to [inflate our billings], because it's not going to give us any more business. I don't care if we are number one or number 10, as long as we make a profit."

Several agency heads expressed appreciation to HISPANIC BUSINESS for insisting on substantiation of their figures. When we circulated our initial, unsubstantiated billing figures, one of these CEOs insisted that we remove his company from the list unless the figures could be checked. He then volunteered to provide a certified statement from his accounting firm if we would require the same from the other top firms. The chief financial officer at another firm even forwarded a copy of its U.S. Corporation Income Tax Return (Form 1120) showing gross receipts (sales). Although requests for such proof initially seemed intrusive to these mostly privately-held firms, in practice there was no better alternative. Subsequently, HISPANIC BUSINESS did request each of the agencies to certify its data. Five complied with the request.

In this sea of mutual suspicions one agency stood apart. When asked to comment on Mendoza, Dillon's numbers, peers responded, "Yes—no questions asked," and "Close," and "Still the largest by far—just look at its client list." Mendoza, Dillon was one of the firms that provided either numbers certified by an accountant or a tax return to verify its statements.

In fact, all the top 10 agencies cooperated with HISPANIC BUSINESS by providing information in one form or another. And only one of the 20 agencies initially surveyed—La Agencia de Orci & Asociados—refused to provide billings, revenue, or the names of its top three clients. "Our confidentiality policy does not allow us to supply the data you desire," wrote President Hector J. Orci. Nevertheless HISPANIC BUSINESS was able to estimate La Agencia's approximate billings based on other sources of information and determined that it did not rank in the top 10.

For those agencies that did not provide

substantiation of their billings, **Hispanic Business** developed its own independent estimates based on a variety of criteria. First, we determined at least the top three clients of each agency, and from separate sources obtained the Hispanic market billings of each. This provided an initial check on the billing figures provided by the agencies. Then we took it one step further. Using financial services to which **Hispanic Business** subscribes, we were able to obtain separately the revenues for several of the firms (the direct relationship between revenues and capitalized billings is explained in a sidebar to this article). Although we would have preferred a consistent basis for ranking all the agencies, this task proved impossible, given both the variety of sources required to gather the results and the firms' different fiscal years.

This year the trend toward general-market agency affiliation intensified. Six of the top 10 Hispanic agencies—60 percent—are now affiliated in one way or another with general-market agencies. These are not just any general-market agencies. They are rather the biggest of the big—the smallest among the six agencies with ties to one of the top Hispanic agencies does more than $2 billion in annual billings. All six general-market agencies are themselves in the top 10 of the U.S. market. The largest is the giant WPP Group, which purchased Mendoza, Dillon several years ago. Conill Advertising is owned by Saatchi & Saatchi and Bravo Group by Young & Rubicam.

The other three Hispanic agencies with ties to general-market agencies have retained a degree of independence by keeping 51 percent Hispanic ownership. These agencies are Sosa & Associates, Font & Vaamonde, and Publicidad Siboney.

Mendoza, Dillon's management team are, clockwise from the top, Andrew Sullivan, Robert Howells, Richard E. Dillon, Eduardo Del Rivero, and Deborah Gagne.

However, some major advertisers, including McDonald's Corp., insist that the agency representing them to the Hispanic market have majority Hispanic ownership. Such relationships appear to be a trend within the trend to tie-ins with general-market agencies. Heads of some of the four agencies with no general-market affiliation say they are approached "all the time to sell." It's a question of the right price and controls, some of them say.

"In the beginning nobody paid any attention to this market," one of these individuals reflects. "Now when the budgets are getting up there, they're saying, 'Instead of the budgets leaving my agency, I'll just buy one.' Of course people have been knocking at our door. *Everybody* is having their doors knocked on."

Aside from Mendoza, Dillon, the Conill agency, and the Bravo Group, all the top Hispanic agencies are Hispanic-owned. A spokesperson for Edward J. Noble, Jr., the owner of Noble y Asociados in Irvine, California, says the firm "has nothing to do" with Noble y Asociados Mexico, which Mr. Noble, Sr., founded, but which DMB&B now owns. Mr. Noble, Jr., he adds, is "a Mexican citizen and a legal resident of this country."

Ferrer/Ad America, which ranks in the top 20 Hispanic agencies, also has an unusual form of ownership. "It is unique," comments President Carl Kravetz, "in that it is 50 percent U.S. Anglo-owned [Davis, Ball, and Columbatto] and 50 percent Mexican [Grupo Ferrer]. It is not any part U.S. Hispanic. It's the first Mexican company to export its services, as opposed to goods, to the United States," Mr. Kravetz says.

Ferrer/Ad America may also be unusual in that it is making good use of a public relations firm (Gelman & Gray Communications). Good public relations in publicizing true billing figures seems to be sorely lacking in this branch of the advertising industry. At first this seemed strange, considering how adept these firms are at blowing other people's horns. But the answer to the puzzle probably lies in that rhetorical question first asked more than 400 years ago: "Who is worse shod than the shoemaker's wife?" Ⓗ

PICK ANY NUMBER

Ask advertising agencies what their billings are and—with the rarest exceptions—they will be delighted to tell you. For one thing, it's a simple matter to come up with a number. Any number.

One reason it is hard to get reliable, consistent billing figures is that people use the term "billings" in two different senses. In the narrow sense it means the cost to clients for advertisements that agencies place in the media. The broader meaning, which the American Association of Advertising Agencies (AAAA) calls "capitalized billings," represents both media billings and nonmedia income, such as from promotions.

Most agencies prefer to talk about their capitalized billings for two reasons. In the first place it is the industry standard. It also is a larger figure. So that was the figure we tried to obtain.

It turns out that the amount of capitalized billings is a precise and easy number to get—if you know the agency's revenue. That's because an agency's capitalized billings are a simple multiple of its revenue. However, most Hispanic agencies are privately owned, and like many privately-held companies they freeze up when you ask what their revenue is. Nevertheless, several commercially available data bases to which Hispanic Business subscribes provide information on revenue even for private companies.

The AAAA developed the standard multiple of 6.67 times gross income or revenue to facilitate comparisons between agencies with different mixes of income from media and promotion work.

Why 6.67? Because it's the reciprocal of 15 percent; 15 percent of 6.67 is 1.00. That is, the formula is a shortcut treating income from promotions and other non-media work as if it were from media placements, which are generally 15 percent of media costs. If you know the gross income, you can find the capitalized billings by multiplying income by 6.67. Conversely, if you know the capitalized billings, you can find the gross income by multiplying them by .15.

For example, says Don Ambuhl, AAAA senior vice president, "Let's say you have two agencies, and both of them have the same gross income, say $100,000. Agency One does it all in media, and so since its revenues presumably equal 15 percent of media costs, it has billings of $667,000. The second agency with $100,000 of gross income does only about $100,000 in media billings and a lot of work in collateral areas—sales promotions, catalogs, annual reports. Its billings of $100,000 in media mean $15,000 of gross income. The other $85,000 of gross income [comes from fees of] $85,000. But it has exactly the same gross income as the first agency."

WHEELS & DEALS

1990: Luxury Cars-A Buyer's Market

The world's leading car makers position themselves to fight for the U.S. market.

By Laura Clark

If the 1980s were filled with skirmishes between U.S. car makers and their overseas competitors, the 1990s could see a full-scale war. Analysts are predicting that by 1991 new Japanese plants being constructed in the United States will be producing an additional 1.8 million more units each year, and there will be at least 2.2 million more cars in the U.S. market than there are buyers.

American car buyers will find more and more choices in almost every vehicle category, but the most formidable threat to the domestic industry's profitability will be new entrants in the luxury car market. Beginning in the 1990 model year both Toyota and Nissan will offer new upscale car franchises designed to compete with such domestic makes as Cadillac and Lincoln and a host of European nameplates such as Mercedes-Benz, BMW, and Jaguar. These new luxury car introductions will mirror Honda's introduction of the successful upscale Acura franchise in 1986.

This strategy should come as no surprise to anyone watching the U.S. car market. As the Japanese manufacturers saw their profits squeezed in recent years by a rising Japanese yen and continued voluntary quotas on exports to the United States, Honda, Toyota, and Nissan decided to investigate the upscale market, which offered both higher per-car profits and growth in sales volume.

Sales of the sleeker, quieter Lincoln Town Car, the most expensive car in Ford's lineup, are expected to increase to 135,000 units in 1990.

Honda's first Acura brand luxury car back in 1986 was the $30,000-plus Legend sedan. Later the Legend coupe was introduced to expand the line, and the Integra was redesigned in mid-1989 as a 1990 model with many improvements. Acura dealers were selected carefully and required to invest in exclusive showrooms.

In its first year on the market Acura won the coveted number one position in Consumer Satisfaction Index (CSI) ratings compiled by J.D. Power & Associates of Agoura Hills, California, a well-known automotive consumer research firm. The CSI ratings are based on a survey of new car and truck buyers' attitudes about both their vehicles and the dealerships they bought from. Acura subsequently won the award in 1988 and 1989 as well.

Like Honda, Toyota and Nissan intend to produce luxury cars on a par with the best of Europe, and have required their dealers to invest $3 million to $5 million to acquire a franchise, including separate showrooms for the luxury models. Toyota unveiled its Lexus line of cars in January at the North American International Auto Show in Detroit. Then in June the company announced that its top-of-the-line Lexus model, the LS 400, would carry a base price of $35,000—nearly $10,000 less than the base price of a $44,850 Mercedes Benz 300E and $20,000 less than a BMW 735i. An LS 400 with all options would cost $43,300. The less expensive Lexus will be the ES250 sedan, with a base sticker price of $21,050.

Nissan followed the Lexus introduction with the debut of its Infiniti car line in October. Like Lexus, Infiniti has adopted the "lower than Europe" pricing strategy. Its top-of-the-line Q45 sedan carries a base price of $38,000, while the less expensive M30 sports coupe carries a $23,500 base price tag. Both Lexus and Infiniti are backed up by major advertising campaigns. *Advertising Age*, an industry trade publication, estimates that Toyota and Nissan will spend a total of $100 million in advertising to promote Lexus and Infiniti during the 1990 model year.

Just how large is the burgeoning luxury car market? It accounted for 980,000 units or 9.3 percent of total U.S. car sales in the 1988 calendar year, according to the Power researchers. While this segment is expected to shrink to 950,000 units or 9.7 percent of the overall U.S. market in calendar year 1989, much of that decrease can be attributed to a downturn in European luxury car sales. Looking ahead, Power projects that the luxury segment will grow to 1.2 million units, or 10.5 percent of the total car market, by calendar year 1994.

David Whiteside, Power's director of publications, says the firm expects the initial impact of Lexus and Infiniti to be felt by the domestic auto makers, namely Cadillac, Lincoln, and Chrysler. "The majority of the Lexus and Infiniti buyers in the first year will be first-time luxury car buyers who have owned a Japanese car before," Mr. Whiteside says. "They were more likely to go to a domestic as their first luxury car," he continues, but the new Japanese cars' content and pricing will also give the standard European luxury car makers "a real run for their money."

Power is projecting that the domestic makers' share of the luxury sedan market will drop 9.6 percent by 1992—from 70.5 percent in 1988 to 60.9 percent. By contrast, the Japanese luxury car makers are expected to command a 17.3 percent share of the luxury sedan market by 1992, up from 7.9 percent in 1988, and European luxury sedans are projected to account for 21.8 percent of the market, up slightly from 21.6 percent.

Cadillac will advertise the more powerful Sedan De Ville only in English, based on an analysis of its Hispanic customers.

Meanwhile the domestics have been preparing for increased competition in the luxury and near-luxury segments. Last month Ford Motor Co.'s Lincoln-Mercury Division introduced a redesigned version of its successful Lincoln Town Car. The new Town Car has a sleeker, more aerodynamic appearance than its predecessor. In addition it has a quieter ride, a new instrument panel, and standard air bags, and Ford hopes to replace its current 5 liter V-8 engine with a 4.6 liter V-8 next model year. The Town Car continues to be the most expensive car in Ford's lineup, with a base price starting at $28,000, and Lincoln hopes to sell 135,000 units in the 1990 calendar year, up from a projected 125,000 units this year.

The longer, more streamlined Buick Riviera incorporates improved ride and handling for 1990.

Lincoln will also continue to offer its aerodynamically styled Continental and two-door luxury coupe, the Mark VII. The Continental will have a new grille for the 1990 model year, and Ford is hoping to redesign the Mark VII by 1993. Ford engineers say the new Mark VII coupe will be similar in ride and styling to the Japanese luxury coupes.

"My opinion is that [the luxury car market] is in a state of orderly evolution, rather than a dramatic revolution; people are growing into it rather than jumping," says Ross Roberts, vice president and general manager of the Lincoln-Mercury Division. "There has always been a lot of variety in the luxury car market and frankly there's starting to be quite a spread in price and quality," he adds. Perhaps reflecting this projected evolution, John Anderson, media coordinator for Lincoln-Mercury, says no special Spanish language luxury car advertising is planned for the 1990 model year.

The company is, however, making an appeal to Hispanic consumers with a new series of Spanish language advertisements for the Mercury Cougar and Mercury Topaz. Lincoln-Mercury's minority agency, Uniworld, is now planning print, radio, and television ads for the effort.

"It really has to do with the size of the [Hispanic] market and its car buying preferences. We see [Hispanic consumers] buying more mid-sized cars and small cars," says Mr. Anderson.

Cadillac, like Lincoln, is also hoping to protect its market share in the luxury car market. Cadillac was successful with a redesigned Fleetwood and Sedan De Ville in the 1989 model year and restyled the Broughham for 1990, adding a more powerful optional engine. Further the 1990 De Ville, Fleetwood, Seville, and Eldorado all received more powerful engines, and the Allante luxury coupe will be the first domestic car with traction control.

Cadillac plans to appeal to Hispanic consumers with English language advertising in both general and Hispanic media outlets. But, while the company has aired some Spanish radio ads in the past, a spokesperson for Cadillac's advertising agency—D'Arcy, Masius, Benton & Bowles (DMB&B)—says no such ads are planned for the 1990 model year. "We looked into [Spanish radio ads] but we did not determine a need [to continue]," says a representative of DMB&B. "We found that people in the market for a Cadillac communicate in English and are influenced by general market advertising," the Cadillac spokesperson adds.

"For 1990 we will be communicating and building on a strong association with Cadillac and upscale life-styles...those which come with achievement," says Cadillac's Assistant General Sales Manager-Marketing Elias R. Torre.

"All of our communications—from television to print to our catalogs—are designed to reach those individuals who demand a higher class of features, amenities, and services when they purchase an automobile," says Mr. Torre.

General Motors' Buick Division is going after the near luxury market with several products. It introduced the Park Avenue Ultra, an upscale version of its Park Avenue, in January and enjoyed good sales success with a longer, sleeker Riviera in the 1989 model year. The Power research firm named the redesigned Riviera one of the top 10 models for 1989 based on a study of quality encompassing both imported and domestic cars. For the 1990 model year, Buick has improved the ride and handling of the whole Electra and Park Avenue series. The longer, sleeker 1990 Riviera received similar improvements plus a new instrument panel.

Chrysler's New Yorker Fifth Avenue will be marketed through both English and Spanish print ads.

Jay Qualman, Buick's general director of advertising, says the company will not produce its own Spanish language advertising during the 1990 model year. Instead, the division will provide cooperative advertising funds to its advertising groups in markets with a high concentration of Hispanic consumers. These groups will tailor the advertising message, execution, and media selection to reflect different circumstances in the different regions, Mr. Qualman says.

Chrysler is also trying to grab a piece of the luxury car market with its redesigned Imperial four-door sedan for the 1990 model year. Chrysler has introduced a number of luxury or near-luxury cars to the market over the past five years, including the New Yorker Landau, Chrysler TC by Maserati, New Yorker Salon, and New Yorker Fifth Avenue.

The Imperial will be Chrysler's luxury "flagship" sedan. The 1990 Imperial, which will bow in November, will be aimed at affluent buyers 55 years or older. It will be backed with a special "Crystal Key" comprehensive warranty program that covers almost every part of the car for five years or 50,000 miles. This Imperial has a redesigned exterior, a new U.S.-built 3.3 liter, V-6 engine (Chrysler previously bought all of its V-6 engines from Mitsubishi in Japan), and an air suspension system that will give the car a traditional American luxury car ride.

A report on automotive demographics by R.L. Polk & Co. indicates that 6.14 percent of Chrysler buyers in the 1988 model year were Hispanic, compared with 7.06 percent for all Chrysler Motors cars including Plymouth and Dodge. Carlos Montemayor, who owns the Texas-based advertising agency that handles Chrysler's Hispanic advertising, says the Fifth Avenue will be marketed through both English and Spanish print ads. The company will also run Spanish television ads for its Plymouth Laser sports coupe and Dodge Spirit mid-sized car, and magazine ads for the Laser, Spirit, Fifth Avenue, and Dakota.

Mr. Montemayor sums it up by saying, "Hispanics represent a $6 billion market for cars and trucks, and that market is hard to ignore."

WHERE DO HISPANIC CONSUMERS STAND ON THE LUXURY CAR BATTLEFIELD?

In marketing wars all segments are considered fair game, and those who know the $6 billion Hispanic automotive market believe manufacturers will increase their advertising budgets and model promotions to court it.

Roque de la Fuente II, a Lincoln-Mercury dealer and 25 percent owner of de la Fuente Cadillac in San Diego, says young affluent Hispanic consumers had been buying import luxury cars but are now slowly switching their preference to domestic makes. "As the domestics have brought their quality up to the level of certain imports, the tastes have changed," he says.

Mr. de la Fuente also believes the car manufacturers, especially the importers, have not recognized the growing Hispanic consumer market and have done little to court Hispanic dealers. "They don't recognize us as a force but they will eventually," says Mr. de la Fuente, who says the domestic manufacturers—notably Ford—have done a better job of appealing to Hispanic consumers than the imports.

Importantly, he adds, "There is no brand loyalty [among Hispanic consumers] to a certain car manufacturer. Everyone buys what they like." That may be news.

Percent of U.S. Luxury Car Sales to Hispanics in Model Year 1988

Model	Number of Sales	Percent Hispanic
Cadillac De Ville	36,734	4.78
Lincoln Town Car	25,537	4.37
Chrysler Fifth Avenue	10,932	6.88
Buick Riviera	1,825	7.34

Source: Report on automotive demographics by R.L. Polk & Co. to Univision Holdings, Inc. (by permission).

Contrary to Popular "Fact"

Is an ad spending winter upon us?

By D. Carlos Balkan

Listen. This is how *Inc.* magazine recently portrayed the growth prospects of Hispanic advertising expenditures in the United States: "Hispanic-targeted advertising is expected to jump 40 percent annually for the next five years." Too bad *Inc.* didn't disclose a source for that hot scoop. *Inc.* is not alone in spreading inflated and unsupported statements about the relationship between advertisers and Hispanic consumers.

The fact is that we may be seeing a gradual cooling off of advertising investments aimed at Hispanic consumers. This magazine's own efforts to establish credible parameters for tracking Hispanic ad expenditures indicate that the growth rate of Hispanic market advertising headed south in 1989 for the second year in a row.

Share of Advertising Expenditures in the Hispanic Market—by Medium

This table represents the market share of each medium by year as a percentage of the total advertising expenditures directed toward the U.S. Hispanic market. The media are placed into five groups.

	Percent of Total Expenditures					
MEDIUM	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**
National TV	16.9	16.5	16.1	21.2	22.4	20.5
National Radio	12.3	12.6	11.8	9.9	8.2	8.8
Group Total	29.2	29.1	27.9	31.1	30.6	29.3
Local TV	17.6	19.4	19.6	24.1	23.2	20.6
Local Radio	22.8	22.8	20.9	23.2	23.8	25.6
Group Total	40.4	42.2	40.5	47.3	47.0	46.2
Independent TV Group	7.0	6.1	10.6	*	0.2	0.4
Print Group	11.2	9.9	8.3	9.6	9.0	9.8
Outdoors	2.5	2.7	3.0	2.9	3.0	3.0
Promotion	8.8	9.0	8.8	8.0	9.3	10.5
Transit	0.9	0.9	0.9	0.9	0.8	0.8
Group Total	12.2	12.6	12.7	11.8	13.1	14.3
Grand Total (%)**	100.0	100.0	100.0	100.0	100.0	100.0
Grand Total ($M)	$284.5	$333.5	$398.0	$490.7	$550.1	$583.6
Annual Growth	27%	17%	19%	23%	12%	6%

*Telemundo consolidation temporarily eliminated the Independent TV category.

**May not total 100% due to rounding.

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Specifically, the growth of overall Hispanic ad expenditures dropped to a modest 6 percent in 1989, for the first single-digit advance since HISPANIC BUSINESS started tracking ad spending six years ago. Our annual list of Leading Hispanic Market Advertisers—those that spent $1 million or more in the Hispanic market—remained unchanged at 50 this year because the number of companies that exceeded our cutoff of $1 million was offset by the number that fell below that amount.

One of the few bright spots in an otherwise dull advertising year was radio advertising. Our data on changes in each medium's relative share of total Hispanic ad spending dollars show that the national and local radio markets combined have made some gains by comparison with 1988, and now command just over one-third of all advertising dollars. Other positive glimmers this year were in the print and promotion advertising fields, each of which garnered 0.8 percent more of the Hispanic advertising pie than it did in 1988. The only other relative gain was a 0.2 percent increase for independent TV.

So despite the robust trends projected by *Newsweek*, *U.S. News & World Report*, and others, advertisers are not drooling or falling over each other in a race to commit dollars to Hispanic advertising. This year all our indicators show that the market is softening, and this is probably so because the general economy is soft. Many major advertisers have been tightening their spending belts in anticipation of some kind of economic downturn in 1990. No one knows at this point if the Bush Administration's highly touted economic game plan for a "soft landing" is really in the cards. Retail business, real estate, and automotives remain soft spots on the consumer spending horizon.

Will this loss of momentum in ad spending hold through 1990? Much will depend on what happens on the Hill and at the Fed in the next six months. Corporate management may well be focused on federal budget and trade deficit indicators, figuring that such overall performance variables hold the key to what will happen in 1990. Advertising budgets depend on such vagaries of the marketplace.

D. Carlos Balkan is a freelance writer based in Santa Barbara, California.

INCOME

Hispanic Purchasing Power Keeps Growing Fast

The spendable income of U.S. Hispanics should reach $159 billion next year.

By Bert Valencia, Ph.D.

Hispanic purchasing power rose to $114 billion after taxes ($140 billion before taxes) in 1987, according to data released by the U.S. Bureau of the Census in October, 1989.

The Census data show that estimated Hispanic purchasing power increased by 12.1 percent in 1987, from an estimated $102 billion in 1986. That is nearly *twice* the U.S. populations overall growth rate of 6.8 percent, and significantly faster than the black population's 6.5 percent. Hispanics will surpass blacks in total purchasing power before the year 2000. Further, if the annual compounded growth rate of 11.6 percent achieved from 1980 to 1987 continues, U.S. Hispanics will have purchasing power of $159 billion next year.

Aggregate after-tax money income is considered a good basis for estimates of purchasing power because it represents disposable income available to buy goods and services. However, income estimates based on the Census should be considered conservative because respondents generally under-report their income and the Census undercounts Hispanics. Additionally, real Hispanic income should be a bit higher because a substantial number of households receive noncash government benefits that increase their purchasing power, such as subsidized housing, food stamps, and school lunches.

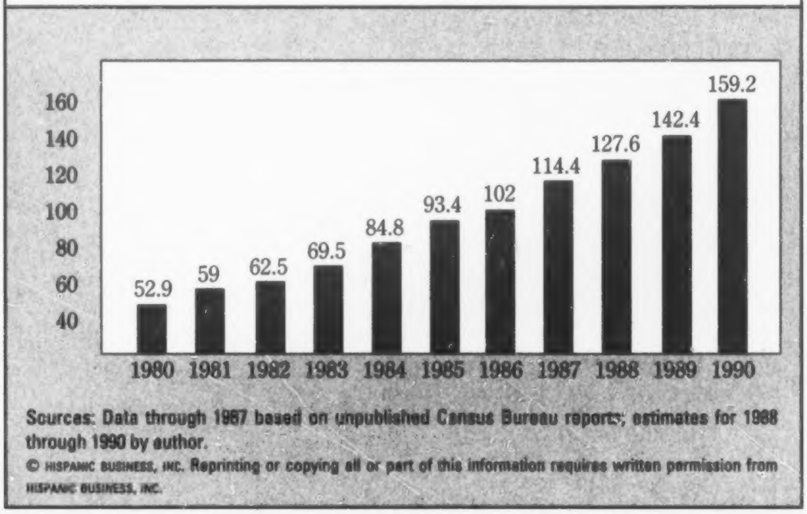
Moreover, Jorge del Pinal, Chief of Ethnic Statistics at the Bureau of the Census, suggests that two other factors should be considered in analyzing Hispanic purchasing power. First, a significant number of Hispanics participate in the informal labor sector ("cash jobs"), where earnings typically go unreported for official purposes but nonetheless add to the consumer's purchasing power. Also, many Hispanics are not as heavily burdened as the general population by fixed obligations (for example, house and car payments). This tends to increase their ability to purchase nondurable goods like food, beverages, and clothing. On the other hand, Dr. del Pinal adds, Hispanics remit substantial amounts of money abroad to relatives. The difficulty is in getting a handle on these factors. No reliable estimates exist on the extent of the Hispanic sector's informal earnings, fixed obligations, or money remissions abroad.

The Census Bureau's 1987 aggregate income estimate is the first to reflect the effects of two major laws passed in the previous year. One of these laws, the 1986 Tax Reform, was intended to reduce the tax burden of lower income households. According to Charles Nelson from the Income Branch of the Bureau of the Census, lower income households (under $30,000 in taxable adjusted gross income) paid less taxes in 1987 than in 1986. Additionally, the 1986 Immigration Law has afforded legal residency to many previously undocumented Hispanics who qualified for amnesty. An accurate count of how many Hispanics qualified for amnesty is not yet available, although most experts agree that between 2 million and 2.5 million Hispanics have applied.

The increase in aggregate Hispanic income during 1987 was owing to two factors. First, more Hispanics were working. The number of Hispanic workers in the civilian labor force increased by 465,000, partly because unemployment among Hispanics dropped to 10.2 percent from 10.6 percent in 1986. Both of these estimates come from the Current Population Reports (Series P-20, No. 431) issued by the Bureau of the Census. Second, Hispanic workers were making more money. Income growth adjusted for increases in the Hispanic labor force—"net" growth—is estimated at about $6 billion for 1987.

Some 9 percent of all Hispanic households—or about 500,000—had incomes of more than $50,000 in 1986, and we will see this emerging affluent class expand in the 1990s.

Hispanic Market Purchasing Power $ Billions



Sources: Data through 1987 based on unpublished Census Bureau reports; estimates for 1988 through 1990 by author.

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Dr. Valencia is associate professor of marketing at the American Graduate School of International Management in Glendale, Arizona.

NOTE

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Pages: 2, 6, 8, 10, 12, 14,

16-18, 20, 22-24, 26-32

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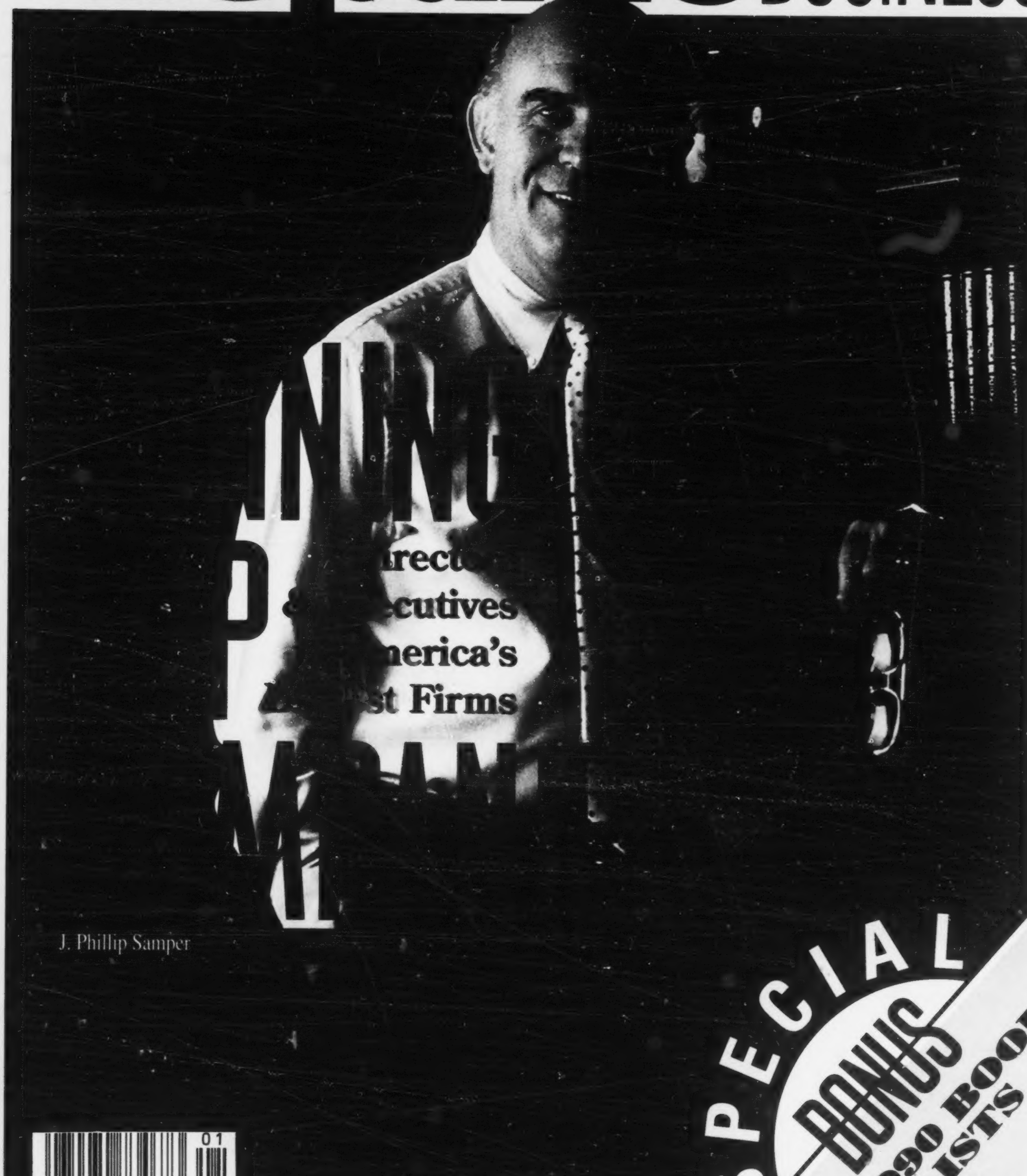
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SPECIAL BONUS

THE 1990 BOOK OF LISTS

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January 1990 Volume 12, Number 1

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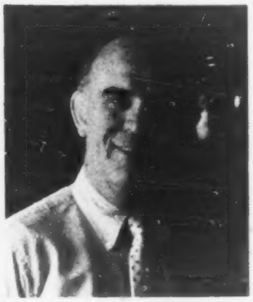
Korn/Ferry VP
Mercedes Mestre says
Hispanic board members
influence company policy.



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J. Phillip Samper
is a pioneer Hispanic in
upper management.

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Islands in the Corporate Stream Our survey identified 109 top managers scattered among the 1,000 largest firms.

Directors

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A Place at the Table New demands on the corporate board create more opportunities for Hispanics.

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More Than Just a Game [illegible] high school all-star basketball team gets Hispanic kids into leading colleges.

Convention

10

USHCC Convention Emphasizes Unity President Bush attends conference where Hispanic Chambers of Commerce develop a new sense of unity.

Special Bonus

Center Pull-Out

The Corporate Resource Book 1990 Book of Lists, a year-long reference guide with exclusive information on Hispanic markets and companies that our readers ask for most frequently.

Departments

Direct Line
4
Publisher's page.

Mail Bag
8
"I am not alone,"
says one reader.

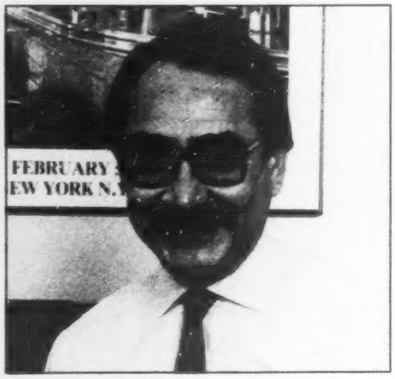
Business Notes
31
Caution: You may be
a workaholic.

Cover

This month's cover
design by Buffalo
Brothers Studios West.

VERIFIED AUDIT CIRCULATION

DIRECTLINE



Once again, we have devoted an issue to America's Hispanic "corporate elite." While we broke ground on this subject last January, you will find a vast improvement in our data this year—largely due to the superb research of editors Rick Mendosa and Joe Wells.

Our lists of the corporate elite include those directors and senior managers of *Fortune* 1,000 companies who are of Hispanic descent. Why is this important? Simply because theoretically these individuals could have an important impact on decisions affecting the economic advancement of their corporations' Hispanic constituencies.

And why do I say "theoretically"? Because the Hispanic presence in U.S. executive suites is still pretty thin. Moreover—and possibly due to their small number—our Hispanic top executives do not generally view themselves as a national network of concerned Hispanics. In fact at least one of the executives we interviewed said he felt that his Hispanic background had no meaning in and of itself.

This is by comparison with America's black senior executives, who are widely perceived to have a black corporate agenda, and to act as a constituency in furthering that agenda.

We did, however, find that the consciousness of our Hispanic corporate elite tends to differ according to age and country of origin. Some of the younger executives in particular appeared to have a different point of view. Those of you who are interested in such matters will find some fascinating insights in Rick Mendosa's article on the Hispanic movers of major U.S. corporations.

We also introduce in this issue an important editorial first: *The 1990 Book of Lists*. This compendium of the most asked for lists that we published in the magazine during 1989 is meant to serve as a Hispanic "corporate source book." We believe it will help interested parties assess the growing economic power of the U.S. Hispanic population, and measure the increasing opportunities of the Hispanic market.

Additionally, this *Book of Lists* includes a special feature that we plan to repeat and expand each year from now on—a list of purchasing managers at major corporations who handle vendor relations with minority-owned firms.

All in all this is a *bonus issue* designed to launch not only a new year but the decade of the 1990s. As we stand at the beginning of this new decade, we see one special theme predominating: The entire globe is undergoing fundamental social and economic change, and the momentum appears to be positive.

Correction

New figures give us the opportunity to announce higher advertising revenue growth for Hispanic television in 1989. These numbers will supercede the understated television revenue growth figures that appeared in the December 1989 issue of Hispanic Business.

Look to our February issue for corrections of the chart entitled "Share of Advertising Expenditures in the Hispanic Market—by Medium" (December, page 50).

Editor & Publisher

As this issue went to press Kodak's Vice Chairman J. Phillip Samper, whose picture graces this month's cover, decided to take early retirement effective January 1, after President Kay Whitmore was selected to replace CEO Colby Chandler.

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HispanicBUSINESS®
The magazine for growth companies and ladder-oriented professionals
January 1990
Book of Lists

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VERIFIED
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Names to Remember

There are more than 950 Hispanic organizations in the United States, according to the Hispanic Resource Directory. Most of them are local or oriented to serve members of a specific profession, ethnic group, or special interest group. Many are government agencies. Below is a list of the largest, most renowned general Hispanic advocacy and research organizations. Not included in this list are professional societies, government agencies, state/regional/local groups, and "think tanks."

Business Organizations

Camara de Comercio Latina de los Estados Unidos (CAMACOL)
1417 West Flagler St.
Miami, FL 33135
(305) 642-3870
Luis Sabines, President

Concentrates on Caribbean and South American commerce: trade missions, international congresses, trade statistics.

Latin American Manufacturers Association (LAMA)
419 New Jersey Ave. S.E.
Washington, DC 20003
(202) 546-3803
Albert S. Jacquez, President

A lobbying group for Hispanic federal contractors. Experts in procurement and 8(a) certification.

Latin Business Association (LBA)
5400 E. Olympic Blvd., Ste. 237
Los Angeles, CA 90022
(213) 721-4000
Harold Martinez, President

Mostly professionals and manufacturing companies, membership concentrated in Southern California.

National Hispanic Business Group
960 Southern Blvd.
New York, NY 10459
(212) 589-5000
Grissel Sepulveda, President

Membership limited to business owners, corporate officers or directors.

U.S. Hispanic Chamber of Commerce (USHCC)
4900 Main Street, Ste. 700
Kansas City, MO 64112
(816) 531-6363
J. Guadalupe V.
"Lupe" Garcia, Chairman

Main group representing Hispanic business to corporations. A repository of research on U.S. Hispanic economy.

Legal/Political Organizations

Congressional Hispanic Caucus
House Annex 2, Room 557
Washington, DC 20515
(202) 226-3430
Beverly Ellerman, Executive Director

Includes Hispanic Congressmen and honorary members. Monitors legislative activities from a Hispanic perspective.

Cuban American National Foundation
1000 Thomas Jefferson St. N.W., Ste. 601
Washington, DC 20007
(202) 265-CUBA
Jacqueline Tillman, Executive Director

Anti-Castro lobbying organization responsible for Radio Marti. Generates research, pamphlets on communism in Cuba.

Mexican American Legal Defense and Educational Fund (MALDEF)
634 South Spring St., 11th Floor
Los Angeles, CA 90014
(213) 629-2512
Antonia Hernandez, President

Takes cases to court in the areas of discrimination, English-only laws, election violations, and civil rights. Scholarships.

National Association of Latino Elected and Appointed Officials (NALEO)
708 G St. S.E.
Washington, DC 20003
(202) 546-2536
Harry Pachon, National Director

Network of politicians. Generates research on Hispanic voting, political attitudes, and demographics.

Puerto Rican Legal Defense and Education Fund (PRLDEF)
99 Hudson St., 14th floor
New York, NY 10013
(212) 219-3360
Ruben Franco, President

Takes cases to court in housing, discrimination, and civil rights.

Southwest Voter Registration Education Project (SWVREP)
403 East Commerce, Ste. 220
San Antonio, TX 78205
(512) 222-0224
Andrew Hernandez, President

Largest voter registration organization in the U.S. Also goes to court in cases of election fraud, civil rights violations.

Grassroots/Lobby Organizations

Aspira Association
1112 16th St. N.W., Ste. 340
Washington, DC 20036
(202) 835-3600
Janice Petrovich, Executive Director

Focus is education programs, counseling, and scholarships. Generates research on social problems facing Hispanics.

League of United Latin American Citizens (LULAC)
342 Wilkens
San Antonio, TX 78210
(512) 533-1976
Jose Garcia De Lara, President

The oldest Hispanic organization. Local units perform a wide variety of volunteer projects. Nationally, LULAC advocates Hispanic social concerns.

National Council of La Raza (NCLR)
810 First St. N.E.
Washington, DC 20002
(202) 289-1380
Raul Yzaguirre, President

A public policy organization. Lobbies in Washington, D.C. for Hispanic social issues.

National Network of Hispanic Women
12021 Wilshire Blvd., Ste. 353
Los Angeles, CA 90025
(213) 624-3697
Celia Torres, Chair

Information sharing and support group; specializes on health, discrimination, education, and women's issues.

The National Puerto Rican Forum, Inc.
450 Park Ave. South
New York, NY 10016
(212) 685-2311
Hector Velazquez, Executive Director

In partnership with government agencies and the private sector; offers employment and job training services.

SER/Jobs for Progress
1355 River Bend Dr., Ste. 240
Dallas, TX 75247
(214) 631-3999
Pedro Viera, President

Programs, available at 11 centers throughout the nation, include job training, work/study, literacy classes, and job placement services.

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TOP 10 HISPANIC AUTOMOBILE DEALERSHIPS

Rank	Company	CEO	Employees	1988 Sales
1	Van Dyke Dodge • Warren, MI	Frank Galeana	221	$ 174,217,326
2	Gus Machado Enterprises • Hialeah, FL	Gus Machado	333	139,802,526
3	Frank Parra Chevrolet • Irving, TX	Frank Parra	210	125,000,000
4	Ancira Enterprises • San Antonio, TX	Ernesto Ancira, Jr.	290	101,566,000
5	Lloyd A. Wise • Oakland, CA	A.A. Batarse, Jr.	146	60,186,039
6	Frederick Chevrolet • Lebanon, PA	Frederick C. Laurenzo	90	47,102,462
7	Metro Ford • Miami, FL	Lombardo Perez	116	46,514,047
8	Ford Midway Mall • Miami, FL	Manuel Villamanan	126	44,205,250
9	M&E Ford Volvo • Meridan, CT	Manuel Pombo	72	33,000,000
10	Popular Ford • Brooklyn, NY	Harry Risso	78	29,987,547
TOTAL			1,682	$801,581,197

TOP 10 VEHICLES SOLD TO THE HISPANIC MARKET*

Manufacturer/ Model	Number of Vehicles	Estimated Value** of Vehicles
Hyundai Excel	34,793	$ 452,309,000
Toyota Compact Truck	24,336	316,368,000
Nissan Sentra	21,183	275,379,000
Ford Escort	16,330	212,290,000
Honda Accord	14,336	186,468,000
Ford Conventional Truck	13,561	176,293,000
Honda Civic	12,984	168,792,000
Toyota Corolla	10,166	132,158,000
Chevrolet Cavalier	9,835	127,855,000
Ford Taurus	8,635	112,255,000
TOTAL	166,159	$ 2,160,167,000

Source: R.L. Polk & Co.

* 1987. **The dollar values are "actual street prices" as estimated by NADA (National Automobile Dealers Association), with passenger vehicles being $13,000.

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THE 100 FASTEST GROWING COMPANIES

Rank	Company/Location/Type Business	Sales Growth 1984-1988 Percent Increase	Sales Growth 1984-1988 Compound Annual Rate	Gross Sales* 1984	Gross Sales* 1988	Profit Range** '84	Profit Range** '88	No. of Employees '84	No. of Employees '88	Year Started
1	**Pueblo Broadcasting Corp.**, Houston, TX Spanish Language Television Broadcasting	20040.70	276.72	$0.03	$6.05	EE	CC	1	35	1976
2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	**C.V.I. Electric**, Cedar Grove, NJ Electrical Contractor	5775.00	210.44	0.02	2.35	EE	CC	3	22	1983
4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	**CMA, Inc.**, El Paso, TX Construction Management	2905.10	134.13	0.34	10.29	CC	CC	20	146	1983
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	**RJO Enterprises, Inc.**, Lanham, MD Government R&D	2841.20	132.88	1.70	50.00	CC	CC	20	580	1979
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	**Rosas Computer Co., Inc.**, Corpus Christi, TX Computer Sales	2695.30	129.94	0.30	8.39	BB	BB	2	67	1983
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	**Casanova Pendrill**, Irvine, CA Advertising Agency	2400.00	123.61	1.00	25.00	BB	AA	3	45	1984
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	**Greg's Trucking, Inc.**, Racine, WI Truck Services	2038.20	115.04	0.23	4.82	--	--	4	7	1978
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15	**Ultraexpress Courier, Inc.**, Miami, FL International Courier Service	1660.40	104.83	0.12	2.17	AA	BB	12	234	1983
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	**Royal West Properties, Inc.**, Miami, FL Real Estate Sales	1516.10	100.50	0.17	2.72	BB	AA	2	6	1982
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
19	**Washington Consulting Group, Inc.**, Washington, DC Management Consulting	1339.80	94.79	1.15	16.50	CC	CC	50	218	1979
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	**Vaquera Construction Co.**, Plymouth, MI General Contractor	1255.00	91.86	0.40	5.42	CC	CC	10	25	1983
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	**GSE Construction Co., Inc.**, Livermore, CA General Contractor	1201.80	89.96	0.98	12.71	CC	DD	18	85	1980
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	**Reza Brothers Construction, Inc.**, El Paso, TX Home Building	951.80	80.08	0.50	5.27	BB	BB	0	8	1981
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	**Rivasal International**, Cincinatti, OH International Marketing	940.00	79.58	0.50	5.20	CC	BB	1	4	1982
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	**North Shore & Central Freight**, Forest View, IL Transportation Services	900.00	77.83	0.30	3.00	EE	CC	6	24	1930
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31	**Advanced Sciences, Inc.**, Albuquerque, NM Engineering/Envir. R&D	797.70	73.09	2.84	25.50	CC	CC	50	312	1977
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	**Apollo Design Services, Inc.**, Haverhill, MA Contract Technical Supplies	741.00	70.29	1.03	8.70	CC	CC	33	94	1982

*In milions of dollars **Profit Range--AA/16% or more; BB/6%-15%; CC/1%-5%; DD/0%-1%; EE/loss Copyrighted © material. Reprinting or copying requires permission from HISPANIC BUSINESS magazine.

THE 100 FASTEST GROWING COMPANIES

Rank	Company/Location/Type Business	Sales Growth 1984-1988		Gross Sales*		Profit Range**		No. of Employees		Year Started
		Percent Increase	Compound Annual Rate	1984	1988	'84	'88	'84	'88	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
35	**Malvern Group, Inc.**, New York, NY Real Estate Development	716.70	69.05	1.20	9.80	BB	BB	5	21	1979
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
37	**Russ Pitney Earthmoving Co.**, Albuquerque, NM Earth Moving	660.00	66.04	0.50	3.80	CC	CC	10	20	1948
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
39	**Paragon Builders, Inc.**, Laredo, TX General Contractor	650.00	65.49	0.20	1.50	BB	BB	1	4	1979
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
41	**Spanish Broadcasting System**, New York, NY Radio Network	633.30	64.56	3.00	22.00	AA	AA	25	170	1983
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
43	**Computer Dynamics, Inc.**, Virginia Beach, VA Computer Integration	560.70	60.33	5.60	37.00	BB	BB	350	600	1979
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
45	**Infotec Development, Inc.**, Santa Ana, CA High Technology Engineering	552.20	59.81	6.90	45.00	CC	CC	100	650	1978
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
47	**E.T. LaFore, Inc.**, Denver, CO General Contractor	521.90	57.92	1.12	6.97	EE	BB	16	45	1977
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
49	**DCL Advertising**, Los Angeles, CA Advertising, Production & Consulting	517.70	57.65	0.34	2.13	CC	BB	1	16	1984
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
51	**Precision Trading Corp.**, Miami, FL Consumer Electronics	504.40	56.79	10.09	61.00	CC	CC	12	36	1979
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
53	**Shifa Services, Inc.**, Hackensack, NJ Janitorial Service	470.70	54.56	0.65	3.71	CC	BB	31	207	1980
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
55	**La Quemazou Wholesale Co.**, El Paso, TX Wholesale and Retail Novelties	442.40	52.61	1.07	5.80	BB	BB	4	38	1980
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
57	**R & R Masonry, Inc.**, North Hollywood, CA Masonry Contractor	424.70	51.35	1.74	9.14	BB	CC	50	100	1963
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
59	**San Diego Wholesale Elect. Co.**, San Diego, CA Wholesale Electrical Products	400.00	49.53	2.60	13.00	BB	BB	9	37	1983
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
61	**Artco Contracting, Inc.**, Auburn Hills, MI General Contracting	400.00	49.53	3.60	18.00	BB	CC	50	150	1981
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
63	**Montemayor y Asociados, Inc.**, San Antonio, TX Advertising Agency	383.30	48.27	1.20	5.80	CC	BB	2	15	1983
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
65	**Computer Resource Management**, Herndon, VA Computer Software	377.50	47.82	1.51	7.23	CC	CC	36	150	1978
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[redacted]

THE 100 FASTEST GROWING COMPANIES

Rank	Company/Location/Type Business	Sales Growth 1984-1988 Percent Increase	Sales Growth 1984-1988 Compound Annual Rate	Gross Sales* 1984	Gross Sales* 1988	Profit Range** '84	Profit Range** '88	No. of Employees '84	No. of Employees '88	Year Started
67	**World Variety Produce, Inc.**, Vernon, CA Wholesale Specialty Produce	363.00	46.69	$2.70	$12.50	CC	CC	6	73	1984
68	**Di-Rec Services**, Dallas, TX Personnel Services	356.90	46.20	0.23	1.06	BB	BB	3	5	1983
69	**Mason Distributors, Inc.**, Miami, FL Vitamins/Healthcare	356.30	46.15	8.00	30.50	CC	CC	120	300	1987
70	**Design Build Team, Inc.**, Altamonte Springs, FL Architecture/Construction	350.00	45.65	2.00	9.00	BB	CC	8	8	1976
71	**Diamonette Party Supplies**, Miami, FL Party Supplies	337.80	44.42	0.16	0.69	EE	CC	5	22	1984
72	**Digitron Tool Co., Inc.**, Miamisburg, OH Aircraft/Auto Parts Mfg.	334.10	44.34	13.27	57.62	CC	CC	150	420	1976
73	**Ernie Sandoval Enterprises**, Oceanside, CA Restaurant Chain	316.70	42.07	1.20	5.00	BB	BB	60	150	1983
74	**Scion Steel, Inc.**, Warren, MI Steel Distribution	313.00	42.55	2.48	10.26	CC	BB	4	23	1984
75	**Allstate Specialty Services, Inc.**, Long Island, NY Janitorial/Painting	304.50	41.82	2.20	8.90	CC	CC	50	[illegible]	1980
76	**Craftsmen Corp.**, Smithtown, NY Integrated Logistics	301.40	41.55	0.97	3.90	BB	CC	14	47	1979
77	**UniStar Corp.**, Dalton, GA Carpet Mfg.	300.00	41.42	3.00	12.00	CC	CC	12	35	1983
78	**Inner City Drywall Corp.**, New Rochelle, NY Carpentry/Drywall	300.00	41.42	10.00	40.00	CC	BB	125	400	1978
79	**Dave's Tile, Inc.**, Chicago, IL Tile Installation	291.20	40.64	0.50	1.96	CC	CC	15	30	1957
80	**Manny Varas & Associates**, Miami, FL Insurance Marketing	286.70	40.23	1.50	5.80	BB	BB	193	703	1976
81	**Pacifica Services, Inc.**, Pasadena, CA Civil Engineering	286.60	40.22	6.70	25.90	CC	BB	160	400	1979
82	**Intercontinental Metals**, Miami, FL Aerospace Metals Dist.	271.40	38.83	3.50	13.00	CC	BB	13	3	1978
83	**Securiguard, Inc.**, McLean, VA Security Guard Service	267.00	38.41	2.18	8.00	BB	BB	200	450	1982
84	**U.S. Building Materials**, Rancho Cordova, CA Door Mfg.	264.40	38.17	0.62	2.25	AA	BB	5	19	1982
85	**Calif. Surgical and Medical Supplies**, Los Angeles, CA Medical & Surgical Supplies	263.70	38.09	0.14	0.51	AA	AA	3	6	1983
86	**Sapper Construction Co.**, San Diego, CA Geheral Contractor	261.20	37.86	3.89	14.06	DD	BB	40	75	1959
87	**Comstock Construction Co., Inc.**, Evanston, IL General/Mechanical Contractor	260.00	37.74	2.00	7.20	CC	EE	22	[illegible]	1976
88	**Uni-Boring Co., Inc.**, Livonia, MI Precision Machining	260.00	37.74	2.50	9.00	CC	BB	18	125	1972
89	**L&M Technologies, Inc.**, Albuquerque, NM Engineering Services	254.20	37.18	0.96	3.40	BB	BB	30	100	1972
90	**Bennett International Corp.**, Miami, FL General Export Services	251.50	36.92	1.20	4.20	BB	BB	5	16	1983
91	**Ruiz Food Products, Inc.**, Tulare, CA Mexican Food Mfg.	250.00	36.78	12.00	42.00	CC	CC	301	800	1966
92	**Generalbank FSB**, Coral Gables, FL Savings & Loan Association	248.50	36.63	14.24	49.61	BB	CC	125	172	1980
93	**Kemron Environmental Services, Inc.**, McLean, VA Environmental Consultants	247.30	36.56	4.44	15.42	BB	–	75	300	1978
94	**Eagle Brands, Inc.**, Miami, FL Beer Distributorship	247.40	36.52	19.00	66.00	--	--	45	170	1984
95	**Maxsac Corp.**, Lakeworth, FL Dyslexic Education	233.30	35.17	1.50	5.00	–	AA	25	51	1980
96	**Borbon, Inc.**, Cerritos, CA Painting /Wallcovering	233.30	35.12	1.20	4.00	CC	CC	20	60	1976
97	**Corella Electric, Inc.**, Phoenix, AZ Electrical Contractor	231.70	34.85	3.00	9.95	--	BB	30	94	1978
98	**Business Men's Insurance Corp.**, Miami, FL Life/Health Insurance	230.30	34.81	12.20	40.30	CC	CC	26	59	1973
99	**Economy Laundries**, El Paso, TX Industrial Laundry	228.10	34.80	2.79	9.17	BB	AA	100	290	1972
100	**Beam Radio, Inc.**, Miami, FL Radio Communication Equipment Sales	221.40	33.90	1.40	4.50	AA	AA	5	15	1976

*In milions of dollars **Profit Range--AA/16% or more; BB/6%-15%; CC/1%-5%; DD/0%-1%; EE/loss Copyrighted © material. Reprinting or copying requires permission from HISPANIC BUSINESS magazine.

NATIONAL VENDOR NETWORK

Purchasing Contacts at Over 100 Major Corporations.

Corporate America is pouring millions into Hispanic advertising. Companies see growth and increased purchasing power in this market and seek market share. But are they reciprocating? Are these big advertisers working with Hispanic-owned businesses by using them as vendors or subcontractors? Yes—commendably, we found that many companies are reciprocating.

In fact, many major corporations have a minority or small business coordinator whose primary job is to see that this give and take becomes more balanced. And some, like Potomac Electric, Bellsouth, Borden, and Ameritech are even spending ad dollars to help Hispanic-owned businesses learn how to participate.

To help you reach these key individuals we have provided the following list of minority purchasing contacts.

Aerospace & Defense

The Aerospace Corp.
K.K. Endow
(213) 336-4116

Aviation Products Group
H.J. Morris
(214) 266-3286

Boeing Co.
Tim Romero
(206) 655-2121

Douglas Aircraft Co.
D.E. Furguson
(213) 593-5021

General Dynamics Corp.
John E. Burt
(714) 868-4273

Hughes Aircraft Co.
Hetzel W. Folden
(213) 568-6059

Lockheed Corp.
Robert R. Paul
(818) 712-2366

Martin Marietta Corp.
Dave Hunter
(303) 971-7032

McDonnell Douglas Corp.
Barry Keary
(213) 593-0503

Raytheon Co.
Charles Warner
(617) 862-6600

Rockwell International Corp.
Larry Hartwell
(818) 700-5826

Teledyne, Inc.
C.S. Nord
(213) 277-3311

TRW, Inc.
Oliver G. Hunt
(213) 517-7335

U.S. Air Force
Terence C. Carey
(714) 382-4304

U.S. Army
Jana Toll
(202) 274-8185

U.S. Navy
Sheryl A. Cabey
(213) 547-6628

Other contacts:

Aerospace Industry Assn.
William J. Lewandowski
(202) 371-8432

SBA/PASS Database
Call for information.
(202) 653-6586

Automotive & Petroleum

Atlantic Richfield Co.
Jerry Bathke
(213) 486-1270

Caterpiller, Inc.
Bob Thompson
(309) 675-5869

Chevron Corp.
Sue Hanrahan
(415) 894-5766

Chrysler Corp.
Ronald E. Beck
(313) 956-5581

Exxon Co. USA
K.C. Triola
(713) 656-7618

Ford Motor Co.
Sandy Fratercangeli
(313) 322-0420

General Motors Corp.
John Haines
(313) 556-3439

Computer & High Tech

Apple Computer, Inc.
Santiago Rodriguez
(408) 974-4944

IBM Corp.
Kathy Barrett-Kosches
(914) 697-6480

Motorola, Inc.
Percy Franklin
(312) 576-6675

NCR Corp.
Call for supplier's guide.
(513) 445-1030

United Technologies
Call for contact list.
(203) 728-6331

W-M InfoSystems
John Warfin
(805) 687-2554

Westinghouse Electric Corp.
Votaire Walker
(301) 765-8296

Xerox Corp.
Kenneth Ashford
(716) 422-9134

Consumer Goods

Adolph Coors Co.
Jake Mead
(303) 277-5258

American Brands
Carol Christensen
(203) 698-5000

American Home Products
Walter Quade
(717) 742-7621

Anheuser-Busch Co.
June Kerr
(314) 577-2230

Borden, Inc.
Ronald E. Cosey
(614) 225-4466

Burger King Corp.
Vicente Silva
(305) 378-7997

Campbell Soup Co.
R.F. Ward
(609) 342-6213

Carnation Co.
Donna Marshall
(213) 932-6000

Clorox Co.
Beverly Mitchell
(415) 271-7438

Coca-Cola USA
Craig Hardin
(404) 676-6035

Colgate-Palmolive Co.
Ray Hernandez
(212) 310-3337

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NATIONAL VENDOR NETWORK

CPC International
Larry Blais
(201) 894-2924

Del Monte USA
Kevin McKee
(415) 442-5013

Dow Chemical Co.
Gary Shafer
(517) 636-2170

Eastman Kodak Co.
James Sutton
(716) 781-5567

Frito-Lay, Inc.
Deborah Mars
(214) 353-2157

General Mills, Inc.
Gordon H. Meier
(612) 540-3176

Gerber Products Co.
Frank Cappadonia
(616) 928-2739

H.J. Heinz Co.
Dave Malick
(412) 237-5025

J.C. Penney Co.
Bruce Ackerman
(214) 591-5817

Jack in the Box
Bruce Bowers
(619) 571-2427

Johnson & Johnson
Joseph Gieda
(201) 524-0723

S.C. Johnson & Son, Inc.
Carl Dirkse
(414) 631-3428

K Mart Corp.
Ronald Dejaeghere
(313) 643-5238

Kellogg Co.
Dennis Shaffer
(616) 966-2554

Kimberly Clark Corp.
Ed G. Lieg
(414) 721-6939

Lever Bros. Co.
Robert Boyd
(201) 894-6575

McDonald's Corp.
David McDuffie
(312) 575-3000

Merck & Co., Inc.
Jerry Mackelroy
(201) 855-4315

Miles Laboratories, Inc.
Dale Stickel
(219) 264-8211

Pepsi Cola, Inc.
Betty Darrell
(914) 767-6616

Philip Morris Cos.
John Mileo
(212) 880-4093

The Pillsbury Co.
Mike Cagley
(612) 330-5225

Polaroid Corp.
Joe Harris
(617) 684-3434

Procter & Gamble Co.
Leave Message
(513) 983-4010

Quaker Oats Co.
Charles Curry
(312) 222-7377

Ralston Purina Co.
Mablean Perkins
(314) 982-3257

RJR Nabisco, Inc.
Ed Frye
(201) 503-2761

Safeway Stores, Inc.
Ron Puccinelli
(415) 944-4000

Sears, Roebuck & Co.
Robert Smith
(312) 875-0583

Southland Corp.
(7-11 Stores)
Richard Sheroke
(214) 828-7374

Sterling Drug, Inc.
Bob Roman
(212) 907-2080

United Brands Co.
Paul R. Ganci
(513) 784-8496

Warner-Lambert Co.
Lori Wallace
(201) 540-2000

Consumer Services

American Express Co.
Benita V. Sumbry
(212) 640-2560

Federal Express Corp.
Reginald Lake
(901) 922-5377

U.S. Postal Service
Stephen A. Leavey
(202) 268-3643

United Parcel Service
Jim Bligh
(203) 862-6138

Telecommunications

Ameritech
Deborah Jennings
(312) 394-7478

AT&T
Robert A. George
(919) 279-5067

Bell Atlantic Corp.
Sherry Embrey
(703) 974-3275

Bellsouth Corp.
Ingrid Canedo
(404) 420-2096

GTE Corp.
Dick Goldberg
(203) 325-5860

Harris Corp.
Tom Mullin
(305) 724-3891

Illinois Bell Telephone Co.
Arcilla Stahl
(312) 727-2080

Nynex Corp.
Mortimer Roberts
(212) 502-7245

Pacific Bell
Wally Wood
(415) 645-7718

Southwestern Bell Corp.
Viv Johnson
(314) 235-4569

U S West, Inc.
Ronald Nemer
(402) 334-3670

Transportation

American Airlines, Inc.
Donald McQuilkin
(817) 963-2620

Amtrak
Roscoe Swann
(202) 383-3000

United Airlines, Inc.
Sandra Rand
(312) 952-5121

Ryder System, Inc.
Eric Winje
(305) 593-3726

Utilities

Florida Power & Light Co.
Bruce Davis
(305) 552-4455

Northern Illinois Gas Co.
Julie McNeil
(312) 983-8888

Pacific Gas & Electric Co.
Charles E. Shepherd
(415) 973-8057

Potomac Electric Power Co.
Norman L. Carter
(800) FOR-MBES

Southern California Gas Co.
Virginia Allen
(818) 307-2525

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HIGH TECH DIRECTORY

Rank	Company	CEO	Product/Service	No. Emps.	1988 Sales*
1.	CTA Incorporated, Rockville, MD	Tom Velez	Aerospace Info. Sys.	796	$68.00
2.	Colsa, Inc., Huntsville, AL	Francisco J. Collazo	Engineering Services	525	50.00
3.	RJO Enterprises, Inc., Lanham, MD	Richard J. Otero	Government R&D	580	50.00
4.	Infotec Development, Inc., Santa Ana, CA	J. Fernando Niebla	Computer Software Dev.	650	45.00
5.	Computer Dynamics, Inc., Virginia Beach, VA	R. Alan Fuentes	Computer System Integ.	600	37.00
6.	Magnet Industrial Group, Inc., Milford, CT	John Soto	Aircraft/Computer Parts Mfg.	360	28.20
7.	Pacifica Services, Inc., Pasadena, CA	Ernest Camacho	Civil Engr./Operations	480	25.90
8.	Advanced Sciences, Inc., Albuquerque, NM	Ed L. Romero	Engr./Environment R&D	312	25.50
9.	J.T. Slocomb Co., Glastonbury, CT	E. John Gregory	Aircraft Engine Components	290	24.00
10.	Omniplan Corp., Culver City, CA	R.E. Montijo, Jr.	Tech. Mgmnt. Consulting	490	18.44
11.	Nat'l Systems & Research, Col. Springs, CO	Celestino Archuleta	Software/Systems Engrs.	342	17.28
12.	Washington Consulting Group, Inc. Washington, D.C.	Armando Chapelli, Jr.	Professional/Technical Serv.	18	16.50
13.	Church & Tower of Florida, Inc., Miami, Fl	Jorge L. Mas	Engineering Contractor	360	16.25
14.	Government Micro Resources, Chantilly, VA	Humberto A. Pujals	Microcomputer Mfg.	12	15.00
15.	Barrios Technology, Inc., Houston, TX	Emyre Barrios-Robinson	Engr./Tech. Services	300	13.30
16.	Gonzalez Design Engr., Madison Heights, MI	R.J. Gonzalez	Mfg. Engineers	285	10.60
17.	Laminaire Corp., Rahway, NJ	Charles Garay	Air Filtration/Electronics	125	10.00
18.	Tele Signal Corp., Hauppage, NY	Esteban Taracido	Electronics Mfg.	74	9.33
19.	Quality Printed Circuits Corp., Phoenix, AZ	Robert Gonzalez	Circuit Board Mfg.	154	9.31
20.	Uni-Boring Co., Inc., Livonia, MI	Facundo Bravo	CAD/CAM Machining	125	9.00
21.	H & R Industries, Inc., Richardson, TX	Paul Dickinson	Printed Circuit Boards	70	8.84
22.	Raloid Corp., Reisterstown, MD	Ramon Jadra	Precision Machining	92	8.00
23.	Systems Integrated, Anaheim, CA	Susan Corrales-Diaz	Computer Integration	80	7.51
24.	Computer Resource Management, Herndon, VA	Ervin Torrez	Computer Software	150	7.23
25.	Martinez & Turek, Riverside, CA	Laurence R. Martinez	Aerospace Tools	91	6.23
26.	Pressure Systems, Inc., Hampton, VA	Douglas B. Juanarena	Electronic Pressure Meas.	85	6.10
27.	Alamo Technology, Inc., San Antonio, TX	Rosario R. Carillo	Defense Engineering	80	6.02
28.	Cybernetics Systems Int'l Corp., Coral Gables, FL	Claudio J. Mendoza	Auto. Workforce Mgmt.	48	4.20
29.	Philatron Int'l, Inc., Santa Fe Springs, CA	Philip M. Ramos	Electr. Cable/Wiring Mfg.	40	4.00
30.	Craftsmen Corp., Smithtown, NY	Alejandro Salas	Integrated Logistics	47	3.90
31.	Electrical Power Products, Santa Clara, CA	Pete Aguilar	Electrical Power Equip.	30	3.60
32.	Advanced Data Concepts, Inc., Portland, OR	Frank E. Rivera	Computer Systems Dev.	140	3.59
33.	L & M Technologies, Inc., Albuquerque, NM	A.R. Montoya	Engineering Services	100	3.40
34.	Tranex, Inc., Col. Springs, CO	Troy Valdez	Electrical Transformers	85	3.40
35.	RAM Enterprises, Inc., Valencia, CA	Marline Monstein	Electronic Contact Mfg.	12	3.39
36.	Omega Precision, Santa Fe Springs, CA	Joseph M. Venegas	Aircraft Parts	45	3.30
37.	W.M.Z. Mfg. Co., Inc., East Hartford, CT	Magno Palacios	Aerospace Parts Mfg.	42	3.30
38.	A.S.K. Associates, Lawrence, KS	Kenneth A. Martinez	ADP Systems Design/Dev.	75	3.20
39.	AVG, Inc., Valencia, CA	Alvaro J. Villa	Robotics Equipment	50	3.20
40.	Emergency Twenty-Four, Inc., Chicago, IL	Dante Monteverde	Electronic Security Systems	127	3.10
41.	Logics, Inc., Leola, PA	W.J. White	Electronic Systems	25	3.10
42.	Orion Int'l Technologies, Inc., Albuquerque, NM	Miquel Rios, Jr.	Engineering R & D	40	2.97
43.	Int'l Creative Data Ind., Bethel, CT	J. Villodas	Electronic Equip. Design	40	2.70
44.	Lasermation, Inc., Philadelphia, PA	Joseph L. Molines	Laser Engraving/Machining	38	2.67
45.	Hartec Enterprises, Inc., El Paso, TX	J. Anthony Ruiz	Ground Support Equip.	49	2.50
46.	Luna Defense Systems, Inc., Baldwin Park, CA	Albert Luna	Mech. Components/Assem.	25	2.19
47.	Advanced Electromagnetics, Santee, CA	Gabriel Sanchez	Microwave Absorbers Mfg.	35	2.10
48.	Apoca Industries, Inc., Bohemia, NY	Santos T. Abrilz	Communications Equip. Mfg.	18	2.10
49.	Barrientos & Assoc., Inc., Madison, WI	Julian Barrientos	Consulting Engr. Serv.	48	2.00
50.	Computer Circuit, Inc., Gardena, CA	Jose Ramirez	Printed Circuit Design	20	1.45

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Top Hispanic Advertising Agencies • 1989

Name & Location	Percent U.S. Hispanic Owner	Percent Hispanic Ad Billings	Total Actual Billings ($Mil)[a]	Actual Hispanic Billings ($Mil)	Basis Of Actual Billings	Ownership/ Affiliation	Top Three Clients
Sosa & Associates San Antonio	100[b]	100	53.5	53.5	Sosa & Trinet[c]	DMB&B	GTE-Calif. Anheuser-Busch Coca-Cola USA
Mendoza, Dillon Newport Beach, CA	0[d]	100	48.6	48.6	CPA	WPP Group	Miller Brewing Johnson & Johnson Sears
Castor GS&B New York	100	80	55.0	44.0	Estimate	—	McDonald's Anheuser-Busch Procter & Gamble
The Bravo Group New York	0	100	34.9	34.9	Estimate	Young & Rubicam	RJR Nabisco Warner Lambert CPC/U.S. Army
Font & Vaamonde New York	51	100	32.5	32.5	Estimate	Grey	Procter & Gamble General Foods Coors
Bermudez Assoc. Los Angeles	100	100	29.6	29.6	CPA	—	AT&T Disneyland Bank of America
Noble y Asociados Irvine, CA	0[e]	100	24.6	24.6	CPA	—	Procter & Gamble Lenscrafters Campbell's Soup
Casanova-Pendrill Irvine, CA	100	100	23.3	23.3	CPA	—	Calif. Lottery Pacific Bell General Mills
Publicidad Siboney New York	51	100	21.2	21.2	Tax Return & Trinet	Foote, Cone & Belding	Colgate Palmolive Pepsi Cola Bristol Myers
Conill Advertising New York	0	100	20.0	20.0	Estimate	Saatchi & Saatchi	Procter & Gamble Miles, Inc. Toyota, Inc.

(a) Year ends 12-31-88 for Mendoza, Dillon; Castor GS&B; Conill Advertising; The Bravo Group; Font & Vaamonde, and Publicidad Siboney. Year ends 4-30-89 for Bermudez Associates. Year ends 6-30-89 for Sosa & Associates and Noble y Asociados. Year ends 7-31-89 for Casanova-Pendrill. See sidebar for capitalized billings formula. (b) Sale of 49 percent pending to D'Arcy Masius Benton & Bowles. (c) Trinet Company Database. (d) B (non-voting) stock 51 percent Hispanic owned. (e) Owner is U.S. resident Mexican citizen.

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THE 500 DIRECTORY

Rank 1988	Rank 1987	Company and Location	Chief Executive	Type of Business	Number of Employees	Year Started	1988 Sales*
1	1	Bacardi Imports, Inc., Miami, FL	Juan Grau	Import/Dist. Rum/Wine	280	1944	$500.00
2	2	Goya Foods, Inc., Secaucus, NJ	Joseph Unanue	Hispanic Food Mfg./Mktg.	1600	1936	300.00
3	4	Sedano's Supermarkets, Miami, FL	Manuel A. Herran	Supermarket Chain	1325	1962	175.77
4	5	Van Dyke Dodge, Inc., Warren, MI	Frank Balcena	Auto Dealerships	221	1965	174.22
5	3	Handy Andy Supermarkets, San Antonio, TX	A. Jimmy Jimenez	Supermarket Chain	2000	1983	163.00
6	6	Gus Machado Enterprises, Inc., Hialeah, FL	Gus Machado	Auto Dealerships	333	1982	139.80
7	9	Frank Parra Chevrolet, Inc., Irving, TX	Frank Parra	Auto Dealerships	210	1971	125.0
8	11	Galindo Financial Corp., Bell, CA	Rafael Galindo	Real Estate Sales	73	1973	118.05
9	58	Related Cos. of Florida, Miami, FL	Jorge M. Perez	Real Estate Developer	250	1979	116.00
10	15	Republic Nat'l Bank of Miami, Miami, FL	Luis J. Botifoll	Commercial Bank	860	1965	109.43
11	10	Northwestern Meat, Inc., Miami, FL	Elpidio Nunez	Wholesale Beef/Seafood Dist.	110	1961	102.00
12	12	Ancira Enterprises, Inc., San Antonio, TX	Ernesto Ancira, Jr.	Auto Dealerships	290	1983	101.57
13	21	Pizza Management, Inc., San Antonio, TX	Arturo G. Torres	Restaurant Chain	4000	1972	100.00
14	13	Capital Bancorp, Miami, FL	Abel Holtz	Commercial Bank	644	1974	93.68
15	8	El Chico Corp.**, Dallas, TX	Gilbert Cuellar, Jr.	Restaurant Chain	3400	1940	80.00
16	[illegible]	H&H Meat Products, Inc., Mercedes, TX	Liborio Hinojosa	Meat Packing/Dist.	357	1947	74.50
17	24	Condal Distributors, Inc., Bronx, NY	Manuel B. Fernandez	Wholesale Food Dist.	250	1968	73.50
18	20	American Internat'l Container, Miami, FL	Remedios Diaz Oliver	Glass Container Dist.	167	1976	72.30
19	22	Travelmasters, Inc., Arlington Heights, IL	George Brandes	Corporate Travel Consultant	100	1973	71.70
20	18	Perez Interboro Asphalt Co., Inc., Brooklyn, NY	Robert Perez	Asphalt Mfg./Construction	350	1972	71.50
21	17	Rosendin Electric, Inc., San Jose, CA	Raymond J. Rosendin	Electric Contractor	450	1919	71.00
22	23	Eagle Brands, Inc., Miami, FL	Carlos de La Cruz	Beer Distributorship	170	1984	68.00
23	•	Precision Trading Corp., Miami, FL	Israel Lapciuc	Consumer Electronics	36	1979	61.00
24	16	Lloyd A. Wise Cos., Inc., Oakland, CA	A.A. Batarse, Jr.	Auto Dealerships	146	1914	60.19
25	26	Komfort Industries, Inc., Riverside, CA	Manuel A. [illegible]	Travel Trailer/Motorhomes	450	1967	60.00
26	38	Digitron Tool Co., Inc., Miamisburg, OH	Nestor A. Fernandez, Sr.	Aircraft/Auto Parts Mfg.	420	1976	57.62
27	30	La Reina Cos., Inc., Los Angeles, CA	Mauro P. Robles	Mexican Food Mfg.	600	1958	53.20
28	35	Banana Services, Inc., Coral Gables, FL	Dr. Rodrigo Jimenez P.	Banana Importer	13	1981	51.21
29	44	TELACU, Los Angeles, CA	David C. Lizarraga	Holding Company	250	1968	51.00
30	31	Gator Industries, Inc., Hialeah, FL	Guillermo Miranda, Jr.	Shoe Mfg.	945	1969	51.00
31	43	Delaco Steel Corp., Dearborn, MI	Gerald F. Diaz	Steel Sales/Processing	40	1978	51.00
32	36	Colsa, Inc., Huntsville, AL	Francisco J. Collazo	Engineering Services	525	1980	50.00
33	60	RJO Enterprises, Inc., Lanham, MD	Richard J. Otero	Government R & D	580	1978	50.00
34	61	Generalbank FSB, Coral Gables, FL	Pedro Roman Lopez	Savings & Loan Assoc.	172	1980	49.61
35	45	Mexalloy International, Inc., Theodore, AL	Enrique Gomez Palacio	Ferro Alloys Dist.	6	1983	48.97
36	37	Frederick Chevrolet Cadillac, Inc., Lebanon, PA	Frederick C. Laurenzo	Auto Dealership	90	1984	47.10
37	33	Angel Echevarria Co., Inc., Los Angeles, CA	Angel M. Echevarria	Flotation Mattresses Mfg.	275	1966	46.52
38	67	Metro Ford, Inc., Miami, FL	Lombardo Perez	Auto Dealerships	116	1983	46.51
39	50	Infotec Development, Inc., Santa Ana, CA	J. Fernando Niebla	High Technology Engineering	850	1978	45.00
40	39	Ford Midway Mall, Miami, FL	Manuel Villamanan	Auto Dealership	126	1959	44.21
41	48	Ramos Oil Co., Inc., West Sacramento, CA	William Ramos	Petroleum Products Dist.	94	1951	42.71
42	43	Ruiz Food Products, Inc., Tulare, CA	Frederick R. Ruiz	Mexican Food Mfg.	500	[illegible]	[illegible]
43	41	Overseas Electronics Superstores, Miami, FL	Abbey [illegible]	Consumer Electronics	150	[illegible]	[illegible]
44	46	Avanti Press, Inc., Miami, FL	Jose Arriola	Web Printing	310	1965	41.20
45	34	Business Men's Insurance Corp., Miami, FL	Tony M. Sierra	Life/Health Insurance	59	1973	40.30
46	129	Inner City Drywall Corp., New Rochelle, NY	Antonio S. Rodrigues	Carpentry/Drywall	400	1978	40.00
47	78	Maya Construction Co., Tucson, AZ	Roberto C. Ruiz	General Contractor/Engr.	315	1977	39.85
48	46	World Travel & Incentives, Inc., Minneapolis, MN	Robert L. Cox	Travel Service	140	1975	39.00
49	56	Computer Dynamics, Inc., Virginia Beach, VA	R. Alan Fuentes	Computer Integration	600	1979	37.00
50	74	Vega Enterprises, Inc., Las Vegas, NV	Rafael E. Vega	Food Service/Whsl./Sales	40	1983	36.76

*In millions of dollars, as of December 31, 1988. Sales figures appear as reported to Hispanic Business by individual company representatives. Many companies submitted financial statements.
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THE 500 DIRECTORY

Rank 1988	Rank 1987	Company and Location	Chief Executive	Type of Business	Number of Employees	Year Started	1988 Sales*
51	39	Mason Distributors, Inc., Miami, FL	Carlos J. Rodriguez	Vitamins/Healthcare	200	1967	[illegible]
52	•	Hispanic Television Network, Los Angeles, CA †	Ron Granados	Holding Co./Film Prod.	25	1987	36.00
53	52	Gato Distributors, Miami, FL	Juan A. Galan, Jr.	Wholesale Beer Dist.	120	1986	35.20
54	40	Jimenez Food Products, Inc., Fort Worth, TX	Raul Jimenez, Jr.	Mexican Food Mfg.	300	1953	35.00
55	54	Castor Spanish International, New York, NY	Castor A. Fernandez	Advertising Agency	48	1980	34.00
56	29	M&E Ford Sales, Inc., Meriden, CT	Manuel Pombo	Auto Dealership	72	1963	33.00
57	57	1-day Paint & Body Centers, Torrance, CA	Javier Uribe	Auto Painting/Bodywork	600	1967	32.49
58	77	Cacique, Inc., City of Industry, CA	Gilbert L. De Cardenas	Cheese Mfg. & Dist.	175	1974	31.30
59	•	Navarro Discount Pharmacy, Miami, FL	Joso Navarro	Retail Discount Drugs	201	1962	31.21
60	•	AIB Financial Group, Inc., Miami, FL	Jose M. Alvarez	Holding Co./Insurance	180	1986	30.15
61	47	The Barad Co., Inc., Miami, FL	Jose Barad	Mechanical Contractor	300	1967	30.00
62	69	Popular Ford Sales, Inc., Brooklyn, NY	Harry Risso	Auto Dealership	78	1980	29.90
63	115	All Star Investment Realty, Inc., Miami, FL	Lawrence Salas	Real Estate Sales	35	1976	29.60
64	65	Metro Litho, Inc., Moonachie, NJ	Manuel de Torres	Lithographic Repro./Printing	125	1964	29.00
65	23	Magnet Industrial Group, Inc., Milford, CT	John Soto	Aircraft Parts Mfg.	350	1970	28.20
66	64	Reynoso Brothers Food Corp., Vernon, CA	Jose Reynoso	Mexican Food Mfg.	75	1979	28.00
67	80	Refricenter of Miami, Inc., Miami, FL	Cirilo Hernandez	Air Cond./Supply/Service	87	1971	26.75
68	124	Sosa & Assoc., San Antonio, TX	Lionel Sosa	Advertising Agency	37	1981	26.00
69	107	Sanchez O'Brien Oil & Gas Corp., Laredo, TX	A.R. Sanchez, Sr.	Oil/Gas Exploration	65	1973	26.00
70	94	Pacifica Services, Inc., Pasadena, CA	Ernest M. Camacho	Civil Engineering	480	1979	25.90
71	81	Mexican Industries in Michigan, Inc., Detroit, MI	Henry J. Aguirre	Automotive Trim Mfg.	196	1979	25.70
72	76	La Cena Foods Ltd., Saddle Brook, NJ	Vicente P. Puig	Food Imports/Dist.	150	1983	25.60
73	61	Camino Real Chevrolet, Monterey Park, CA	Mike A. Hernandez	Auto Dealership	98	1976	25.54
74	118	Advanced Sciences, Inc., Albuquerque, NM	Ed L. Romero	Engineering/Envir. R&D	312	1977	25.50
75	78	Best Western Paving Co., Walnut, CA	James Ortega	Gen. Engineering/Paving	100	1978	25.42
76	87	Casanova Pendrill, Irvine, CA	Paul Casanova	Advertising Agency	45	1984	25.00
77	70	BEC Construction Corp., Miami, FL	Francisco C. Espinosa	General Contractor	60	1970	24.82
78	88	Century 21 Agmont Real Estate, Inc., Chicago, IL	Amalia Monterroso	Real Estate Sales	15	1983	24.50
79	111	J.T. Slocomb Co., South Glastonbury, CT	E. John Gregory	Aircraft Engine Components	290	1891	24.00
80	92	Riana Enterprises, Inc., Baton Rouge, LA	J. Rick Tarajano	General Contractor	600	1974	24.00
81	103	All-State Packing Co., Inc., San Antonio, TX	Jesse M. Quiroz	Beef Packers	75	1986	24.00
82	96	Camu Services, Inc., Burkburnett, TX	Ricardo M. Camu	Food Service/Restaurants	1600	1981	23.78
83	82	C&F Foods, Inc., City of Industry, CA	Manuel G. Fernandez	Dry Food Dist.	65	1972	23.51
84	127	Serrot Corp., Huntington Beach, CA	Guillermo M. Torres	Pond/Tank Linings	190	1978	23.10
85	72	Mat Chemicals, Inc., Medley, FL	Peter Mellenzo	Chemical Distributor	35	1977	23.00
86	112	Ocean Dodge, Inc., Oakhurst, NJ	Tony Gomez	Auto/Boat Dealerships	42	1975	22.89
87	66	Quality Roofing Co., Inc., Passaic, NY	Roger Martin	Roofing Contractor	235	1972	22.50
88	84	El Dorado Furniture Corp., Miami, FL	Manuel Capo	Retail Home Furnishings	198	1967	22.00
89	89	Ninfa's, Inc., Houston, TX	Roland Laurenzo	Mexican Restaurants	765	1973	22.00
90	98	Spanish Broadcasting System, New York, NY	Raul Alarcon, Jr.	Radio Stations	170	1983	22.00
91	96	Caballero Spanish Media, Inc., New York, NY	Eduardo Caballero	Radio Advertising Sales	43	1973	22.00
92	114	SaniServ, Inc., Indianapolis, IN	G.E. Aguirre	Ice Cream Machines Mfg.	170	1977	22.00
93	99	Town Lake Chrysler Plymouth, Inc., Austin, TX	Francisco Torrando	Auto Dealership	54	1981	21.82
94	81	De La Torre Imports, Inc., Miami, FL	Homero R. de la Torre	Shoe Imports	13	1977	21.56
95	•	Publicidad Siboney, New York, NY	Jose M. Cubas	Advertising Agency	40	1982	21.30
96	109	Cabo Distributing Co., Inc., South El Monte, CA	Federico Cabo	Beverage/Food Dist.	39	1970	21.00
97	•	Delta Brands, Inc., Irving, TX	Samuel Savariego	Capital Equipment Mfg.	200	1964	20.00
98	121	Bermudez & Assoc., Inc., Los Angeles, CA	Eduardo Bermudez	Advertising Agency	38	1975	20.00
99	102	Dynamic Ocean Services, Inc., Houston, TX	Alexander G. Arroyos	Customs Broker/Freight Fwdg.	50	1969	19.60
100	•	S.E.S., Inc., West Chicago, IL	Stephen L. Martines	Construction Equip.	78	1968	19.52

† As the 500 issue was going to press, figures released by Hispanic Television Network were unverifiable, and the company requested its name be withdrawn from the directory.
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101	106	Abbott Group Ltd., Chicago, IL	Nelson Carlo	Holding Company	350	1978	$19.50
102	126	Campus Ford, Riverside, CA	Bruce de la Cuadra	Auto Dealership	70	1984	19.20
103	131	Rodriguez Festive Foods, Fort Worth, TX	Rudy Rodriguez, Jr.	Mexican Food Mfg.	300	1985	19.00
104	153	Garcia-Serra & Blanco Adv., Coral Gables, FL	Al Garcia-Serra	Advertising Agency	39	1982	18.80
105	159	F. Gavina & Sons, Inc., Vernon, CA	Pedro L. Gavina	Specialty Coffee Roaster	84	1967	18.50
106	133	Omniplan Corp., Culver City, CA	R.E. Montijo, Jr.	Technical/Consult. Serv.	490	1971	18.44
107	•	L&R Properties, Walnut, CA	Rafael E. Vargas	Real Estate Sales	63	1985	18.40
108	123	Rowland Coffee Roasters, Miami, FL	Jose A. Souto	Specialty Coffee Roaster	92	1960	18.00
109	100	Artco Contracting, Inc., Auburn Hills, MI	Jesse M. Guzman	General Contracting	150	1981	18.00
110	135	North Gables Hospital, Coral Gables, FL	Michael J. Gerber	Health Care	185	1984	18.00
111	146	Net-Systems & Research, Colorado Springs, CO	Celestino Archuleta	Information Systems Services	342	1980	17.26
112	104	Rivas Realty of Florida, Inc., Miami, FL	Mario J. Rodriguez	Real Estate Sales	44	1979	17.00
113	137	Graphic Productions Co., Miami, FL	Noel Hernandez	Printers/Lithography	121	1974	16.70
114	115	Washington Consulting Group, Inc., Washington, DC	Armando C. Chapelli, Jr.	Management Consulting	218	1979	16.50
115	132	Stadium Lincoln-Mercury, Youngstown, OH	Ray H. Navarro	Auto Dealership	40	1982	16.50
116	180	Interamerican Engineers/Constr., Miami, FL	Enrique A. Pereira	General Contractors	78	1980	16.30
117	110	Terrinvest, Inc., Miami, FL	Alejandro Robles	Housing Development	20	1977	16.30
118	120	Church & Tower of Florida, Inc., Miami, FL	Jorge L. Mas	Engineering Contractor	380	1968	16.25
119	62	American Metals Service**, Inc., Miami, FL	Armando Riesgo	Metal Dist.	40	1968	16.04
120	•	Richard Electric Supply Co., Miami, FL	Julian Fernandez, Jr.	Electrical Wholesale	54	1962	16.00
121	125	Valley Oldsmobile West, Inc., Bakersfield, CA	Remey S. Ortiz	Auto Dealership	68	1983	16.00
122	165	Miami Savings Bank Corp., Miami, FL	Raul Masvidal	S & L Holding Co.	160	1984	16.00
123	136	Candy's Tortilla Factory, Inc., Pueblo, CO	Anthony Estrada	Mexican Food Mfg.	140	1957	15.70
124	201	Kemron Environmental Serv., Inc., McLean, VA	Juan J. Gutierrez	Environmental Consultants	300	1975	15.42
125	•	Government Micro Resources, Chantilly, VA	Humberto A. Pujals	Microcomputers	12	1981	15.00
126	•	De Lara Travel Consultants, Coral Gables, FL	Hector G. de Lara, Jr.	Corporate Travel Agent	38	1974	15.00
127	130	Marsden Reproductions, Inc., New York, NY	Frank Flores	Printing/Graphics	200	1950	15.00
128	153	Paul Young Auto Mall, Laredo, TX	Paul Young	Auto Dealership	80	1941	15.00
129	182	Spillis Candela & Partners, Inc., Coral Gables, FL	Hilario F. Candela	Interior Design	225	1926	14.73
130	•	Dickshire Distributing, El Paso, TX	Ramiro Guzman	Beer Distributor	105	1988	14.60
131	147	Heritage Buick-GMC Truck Co., East Providence, RI	Robert J. Benitos	Auto Dealerships	42	1980	14.39
132	190	Maxcorp, Inc., Homewood, IL	Henry C. Mendoza	Hazardous Waste Mgmt.	150	1986	14.28
133	206	Project Advisors Corp., Miami, FL	Linda F. Estevez	Constr./Property Mgmt.	100	1975	14.20
134	172	Sopper Construction Co., San Diego, CA	E.H. Sopper	General Contractors	75	1959	14.06
135	142	Gancedo Lumber Co., Miami, FL	Martin Perez	Lumber	[illegible]	[illegible]	14.00
136	157	Arga's Mexican Food Products, Whittier, CA	Robert Arciniaga	Mexican Food Mfg.	320	1959	14.00
137	•	Peco Enterprises, Davenport, IA	Frank L. Granados	Computer Support Services	271	1974	14.00
138	128	Gateway Chevrolet, Buena Park, CA	Michael A. Padilla	Auto Dealership	50	1978	13.95
139	149	All Modes Transport, Inc., Elizabeth, NJ	Anthony Ruiz	Air/Surface Transportation	115	1983	13.60
140	161	Robert Arranaga & Co., Inc., Los Angeles, CA	Robert Arranaga	Food Service Dist.	45	1957	13.50
141	186	Tropical Cheese Industries, Perth Amboy, NJ	Rafael Mercee	Cheese Mfg.	49	1982	13.50
142	156	Marin Metal Finishing, Inc., Lynwood, CA	Pete Marin	Architectural Finishes	115	1965	13.47
143	164	Fer Wer Meats, Highland, CA	Michael A. Serrato	Wholesale Meats	37	1962	13.30
144	158	Barrios Technology, Inc., Houston, TX	Emyre Barrios Robinson	Engr./Tech. Services	300	1980	13.30
145	236	Interamerican Federal S&L, Miami, FL	Agustin C. Velasco	Savings & Loan	[illegible]	[illegible]	13.08
146	211	Siboney International Corp., West Palm Beach, FL	Enrique J. Tomeu	Fertilizer/Trucking	49	1972	13.05
147	203	Intercontinental Metals, Miami, FL	Antonio Guedes	Aerospace Metals Dist.	3	1978	13.00
148	205	San Diego Wholesale Elect. Co., San Diego, CA	Robert Zamarripa	Wholesale Electrical Products	37	1983	13.00
149	•	Ed Cordero Chevrolet, Pacifica, CA	Edward C. Cordero	Auto Dealership	38	1960	13.00
150	216	Cordova Bolt, Inc., Buena Park, CA	Moses E. Cordova	Nut/Bolt/Screw Dist.	41	1975	12.74

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151	271	BSE Construction Co., Inc., Livermore, CA	[illegible] Gutierrez	General Contractor	65	1980	$12.71
152	140	Southern Oldsmobile, Inc., Waldorf, MD	Agustin E. Olera	Auto Dealership	42	1970	12.62
153	235	Jay Automotive Specialties, Caribou, MN	John A. Sotomayor	Automotive Parts	11	1976	12.55
154	134	The O'Campo Corp., Walnut, CA	Peter O'Campo	General Contractor	18	1962	12.50
155	187	Inca Metal Products Corp., Lewisville, TX	Edward M. Bulcisna	Storage Equipment	125	1936	12.40
156	159	Airparts Co., Inc., Wichita, KS	Marta M. Maxwell	Aircraft Parts	35	1963	12.00
157	259	Cottage Development, San Clemente, CA	David G. Gutierrez	Residential Development	6	1983	12.00
158	•	Baca Pontiac Buick GMC, Belen, NM	Ruben Albert Baca	Auto Dealership	35	1979	12.00
159	•	Union General Insurance Co., Miami, FL	Julio E. Marty	Auto Insurance	45	1985	12.00
160	240	XCL Financial Services, Santa Ana, CA	Luis A. Torres, Jr.	Investments/Insurance	4	1966	12.00
161	•	Guardian Property & Casualty, Miami, FL	Inocencio Petalio	Property & Casualty Insurance	37	1988	11.90
162	188	Cardenas Motors, Inc., Brownsville, TX	Renato E. Cardenas	Auto Dealership	54	1971	11.84
163	97	HSL Properties, Tucson, AZ	Humberto S. Lopez	Real Estate Development	90	1975	11.50
164	199	Robert Ruiz, Inc., Edinburg, TX	Robert Ruiz	Food Packing Dist.	300	1962	11.20
165	174	Cash & Carry Grocery, Inc., Chicago, IL	Arnulfo Varias	Wholesale Grocers	11	1981	11.00
166	253	Development Assoc., Arlington, VA	Leveo V. Sanchez	Mgmt.& Gov't. Consult.	210	1969	11.00
167	179	AmerInsurance, Inc., Miami, FL	Leslie P. Pantin	Insurance	29	1962	11.00
168	166	Delma Construction Co., Inc., Inc., Bronx, NY	Emanuel Ciminello, Jr.	Construction	100	1976	11.00
169	209	Pacific Van & Storage Co., Inc., Torrance, CA	Henry A. Pontes	Worldwide Moving	160	1955	11.00
170	•	Albert H. Halff Assoc., Dallas, TX	Jose I. Novoa	Civil Engineering	175	1954	10.96
171	184	Henry Valencia, Inc., Espanola, NM	Henry Valencia	Auto Dealership	40	1980	10.90
172	305	Serdo Corp., Novi, MI	Vincent Doa, Sr.	Concrete Construction	30	1986	10.85
173	•	Florida Roads Co., Miami, FL	Jose M. Nessi	Construction	138	1970	10.75
174	181	Miramar Electric Supply Co., Miami, FL	Hector M. Rivero	Electrical/Wholesale	25	1974	10.75
175	208	DSA Group, Inc., Tampa, FL	H. Joseph Diaz	Engineering Consultants	146	1962	10.70
176	214	Gonzalez Design Engr., Madison Heights, MI	R.J. Gonzalez	Mfg./Engineering	285	1975	10.60
177	247	Proftech Corp., Tarrytown, NY	Jose Montiel	Office Supplies/Equipment	50	1980	10.50
178	236	Las Vegas Fertilizer Co., North Las Vegas, NV	George Jaramillo	Lawn/Garden Dist.	37	1944	10.44
179	194	Estrella Insurance, Inc., Miami, FL	Nicolas Estrella	Insurance	40	1978	10.40
180	171	Southeast Machine Co., Inc., Newport News, VA	John Meiklejohn	Machine/Custom Mfg.	150	1978	10.30
181	207	River City Produce Co., Inc., San Antonio, TX	John E. Gonzalez	Wholesale Produce Dist.	47	1981	10.30
182	196	CMA, Inc., El Paso, TX	Robert Drago	Construction	140	1963	10.29
183	250	Salazar Construction, Inc.**, Corpus Christi, TX	J.C. Salazar	General Contractor	100	1934	10.28
184	228	AMPAC, Upland, CA	Alvaro Bas	Pipe Mfg.	112	1966	10.27
185	197	Solon Steel, Inc., Warren, MI	Carlos Z. Sanchez	Steel Dist.	23	1984	10.26
186	190	Chaides Construction Co., Fremont, CA	Rudy L. Chaides	General Contractor	65	1962	10.00
187	192	SOS Office Systems, Inc., Pinellas Park, FL	Mitchell Meana	Office Machines	130	1972	10.00
188	237	Orange Coast Electric Supply, Santa Ana, CA	Jim Espinosa	Wholesale Electrical Supplies	25	1980	10.00
189	293	Corella Electric, Inc., Phoenix, AZ	John C. Corella	Electrical Contractor	54	1978	9.95
190	•	Malvern Group, Inc., New York, NY	Manuel Llerandi	Real Estate Development	21	1979	9.80
191	•	Northeast Commonwealth, Inc., Lakewood, NJ	Juan Gutierrez	Construction	30	1976	9.80
192	270	Valverde Construction, Inc., Santa Fe Springs, CA	Joe A. Valverde	Underground Construction	48	1972	9.70
193	202	Chihuahua, Inc., Fresno, CA	J. Frank Villegas	Mexican Food Mfg.	290	1947	9.70
194	195	C&C Bakery, Inc., Kingsville, TX	Joe Cavazos	Mexican Food Mfg.	215	1954	9.65
195	225	CORRO-FLO Engineering, Inc., Louisville, KY	Guillermo J. Vasquez	Plastic Pipes/Ventilation	82	1971	9.63
196	248	Titan Rubber & Supply Co., Inc., San Jose, CA	David M. Rodriques	Industrial Rubber	26	1976	9.63
197	234	Consol. Steel & Alum. Fence, Kenilworth, NJ	Paul Cacicedo	Fence Installation	48	1958	9.50
198	249	Jair Electronics Corp., Miami, FL	Roberto Jair Lang	Electronic Products	15	1978	9.50
199	•	Interamerican Trading & Produce, Miami Beach, FL	Claudio A. Feuermann	Frozen Seafood Importers	5	1963	9.50
200	241	Manolo Garcia Electric Motor, Inc., Medley, FL	Manuel Garcia, Jr.	Electric Motor Sales/Service	102	1972	9.35

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201	332	Tel-Signal Corp., Hauppauge, NY	Esteban Teracido	Electronics Mfg.	74	1976	$9.34
202	319	Quality Printed Circuits Corp., Phoenix, AZ	Robert L. Gonzalez	Circuit Board Mfg.	154	1974	9.31
203	193	McLean Cargo Specialists, Inc., Humble, TX	Angel F. Jimenez	Internat'l Freight Forwarding	68	1970	9.24
204	243	Pharmed Sales International, Miami, FL	Carlos M. de Cespedes	Medical Supplies	16	1981	9.24
205	281	Economy Laundries, El Paso, TX	J.C. Viramontes	Industrial Laundry	290	1972	9.17
206	224	La Rosa Del Monte Express, Inc., Bronx, NY	Hiram Rodriguez	Moving/Shipping	125	1969	9.16
207	244	R & R Masonry, Inc., North Hollywood, CA	Rennie Tejeda	Masonry Contractor	100	1963	9.14
208	296	Andes Chemical Corp., Miami, FL	Fernando Espinosa	Chemicals	4	1986	9.00
209	280	Uni-Boring Co., Inc., Livonia, MI	Facundo Bravo	Precision Machining	125	1972	9.00
210	•	Design Build Team, Inc., Altamonte Springs, FL	Manuel E. Gonzalez	Architecture/Construction	8	1976	9.00
211	•	Allstate Specialty Services, Long Island, NY	Ray J. Nieto	Janitorial/Painting	280	1980	8.90
212	258	H-R Industries, Inc., Richardson, TX	Paul R. Dickinson	Printed Circuit Brds.	70	1976	8.84
213	273	Sausedo Metal Products, Inc., San Jose, CA	Robert Sausedo	Metal Products Mfg.	120	1973	8.80
214	•	Apollo Design Services, Inc., Haverhill, MA	Ismael A. Velez, Jr.	Contract Technical Supplies	84	1982	8.70
215	295	Panhandle Pipe & Supply Co., Inc., Martinsburg, WV	Patricia P. Cougias	Construction Supplies	11	1927	8.58
216	218	Captree Chemical Corp., West Babylon, NY	Ernest P. Gonzalez	Chemical Dist.	28	1977	8.50
217	167	Hollywood Travel, Hollywood, FL	Henry Yaniz	Travel Services	24	1962	8.50
218	•	Growers Ford Tractor Co., Miami, FL	Norberto H. Lopez	Tractor Dealer	41	1967	8.50
219	•	Frank Cummings Ford-Chrysler, Nogales, AZ	Frank C. Cummings	Auto Dealership	35	1976	8.41
220	•	Rosas Computer Co., Inc., Corpus Christi, TX	Leo Rosas	Computer Sales	67	1983	8.39
221	178	Bali/Gomez & Assoc., Brownsville, TX	Rudy V. Gomez	Architerture	5	1977	8.30
222	213	Arbor Tree Surgery, Paso Robles, CA	Richard G. Alvarez	Tree Trimming/Removal	258	1960	8.33
223	•	Apodaca Bail Bonds, El Paso, TX	Victor Apodaca, Jr.	Nationwide Bail Bond	16	1939	8.23
224	282	Bi-State Packaging, Inc., Milan, IL	Robert Ontiveros	Whsl. Packing/Machy./Mtl.	25	1974	8.20
225	217	Southwest Office Systems, Inc., Fort Worth, TX	Victor Puente, Sr.	Office Equipment/Supplies	89	1984	8.20
226	447	Vasallo Construction, Inc., Miami, FL	Pedro Vasallo	General Contractor	17	1973	8.11
227	232	Aigus Enterprises, Inc., Miami, FL	Gustavo Raul Lima	Tire/Tubes Dist.	15	1974	8.00
228	231	A'Leon Business Systems, Inc., Miami, FL	Abilio Leon	Office Equipment	79	1974	8.00
229	233	Casa Herrera, Inc., Los Angeles, CA	Alfred J. Herrera	Food Processing Equip. Mfg.	100	1954	8.00
230	266	Saez Refrigeration, Inc., Miami, FL	Pedro Justo Saez	Air Conditioning/Refrig.	42	1977	8.00
231	269	Trade Litho, Inc., Miami, FL	Jeronimo Alvarez	Commercial Printing	80	1973	8.00
232	312	Securiguard, Inc., McLean, VA	Patricia De L. Marvil	Security Guard Serv.	450	1982	8.00
233	•	A & S Painting, Inc., Santa Clara, CA	Bert Valdez	Painting/Wallcoverng	125	1969	8.00
234	331	J.G. Torres Concrete Constr., Mountain View, CA	Jess G. Torres	Concrete Construction	45	1955	7.98
235	252	Zubi Advertising Services, Inc., Miami, FL	Teresa A. Zubizarreta	Advertising Agency	17	1973	7.90
236	•	CEXCO Corp., Miami, FL	Ulises Vidal	Import-Export Machinery Parts	20	1983	7.63
237	246	Everglades Steel Corp., Miami, FL	Orlando A. Gomez	Steel Dist.	22	1974	7.50
238	279	Savala Construction Co., Inc., Irvine, CA	Leonard Savala	Underground Construction	55	1951	7.50
239	316	San Jose and Assoc., Inc., Chicago, IL	George L. San Jose	Advertising Agency	15	1981	7.50
240	•	Cercas Cuba Corp., Hialeah, FL	Oscar Torres	Fencing Products	35	1974	7.50
241	•	Rio Grande Motors, Rio Grande City, TX	Marcos Garza	Auto Dealership	35	1986	7.42
242	•	South Coast Drywall, Inc., Houston, TX	David Milam, Sr.	Real Estate Renov.	150	1971	7.34
243	•	Touche Mfg., Inc., San Jose, CA	Antonio Zertuche	Metals Mfg.	95	1972	7.30
244	•	El Canto, Albuquerque, NM	Joseph J. Baca	Food Products	135	1951	7.30
245	407	Computer Resource Management, Herndon, VA	Ervin E. Torrez	Computer Software	150	1978	7.23
246	257	Comstock Construction Co., Evanston, IL	Edgar Garcia Smoot	Gen./Mech. Contractor	55	1976	7.20
247	343	Surface Prep. and Coating Ent., Inc., Baton Rouge, LA	Luis J. Gonzalez	General Contractor	200	1977	7.20
248	271	Alba Industries, Inc., Los Angeles, CA	Ray Alba	Mfg. Office Furniture	120	1969	7.00
249	255	Specialty Foods Corp., Johnson City, NY	Charles A. Sayous	Food Mfg.	75	1979	7.00
250	354	Santana Transport, Inc., Romulus, MI	Alicia Guzman Pace	Transportation	100	1987	7.00

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251	264	RMT Landscape Contractors, Inc., San Leandro, CA	Rick De Herrera	Landscape Contractor	80	1977	$7.00
252	•	Aerospace Specification Metals, Fort Lauderdale, FL	Catherine Muldoon	Aircraft Raw Materials	15	1978	6.98
253	320	South Florida Health Alliance, Miami, FL	William A. Baldwin	Medical Supplies	15	1983	6.98
254	382	E.T. LaFore, Inc., Denver, CO	E.T. LaFore	General Contractor	45	1977	6.97
255	273	Torres Electrical Supply Co., Inc., Stuart, FL	Oscar L. Torres, Sr.	Electrical Equip./Supplies	3	1971	6.95
256	•	Aceves Construction Co., Norfolk, VA	Joseph Aceves	Roofing	85	1983	6.90
257	322	JC Liquid Waste Disposal, Inc., Vernon, CA	Julian Carrasco	Hazardous Waste Disposal	30	1969	6.90
258	175	City Wide Security Services, Inc., Brooklyn, NY	Pedro L. Perez	Security Services/Equip.	368	1972	6.88
259	281	Lopez Travel, San Diego, CA	Frank J. Costa	Travel Agency	36	1972	6.87
260	329	The Avila Corp., Monterey Park, CA	Raul Avila	Real Estate Sales	10	1984	6.80
261	340	Solares Florida Corp., Miami, FL	Alberto E. Solares	Industrial/Oil Equip.	23	1975	6.75
262	290	Arroyo Process Equipment, Clearwater, FL	Frank Arroyo	Pump Dist.	6	1968	6.60
263	328	Oscar Ort[illegible]anches, Coachella, CA	Oscar J. Ortega	Table Grape Grower	1000	1975	6.56
264	251	Robert Escudero, Inc., Pasadena, CA	Robert Escudero	General Contractor	50	1978	6.56
265	•	P&A, Inc., Farmington, NM	Isaac Padilla	Oil and Gas Equip.	75	1978	6.55
266	•	Home Education Livelihood, Albuquerque, NM	Ernest E. Ortega	Social Service	100	1965	6.50
267	•	Mariana Properties, Houston, TX	Mariana Saldana	Real Estate Sales	3	1986	6.40
268	306	Millhorn Chemical & Supply Co., Maywood, CA	Ralph Marrujo	Chemical Dist.	24	1954	6.37
269	275	Valco Construction Co. Inc., Glendale, AZ	Rafael L. Valenzuela	General Contractors	12	1974	6.30
270	•	Canton Industrial Corp.**, Canton, IL	Nelson Carlo	Metal Mfg.	188	1984	6.29
271	230	Armadillo Construction Co., Inc., Laredo, TX	Robert P. Gutierrez	Residential Home Constr.	14	1974	6.26
272	•	Able Service Contractors, Kensington, MD	Jose R. Barahona	Janitorial Services	400	1978	6.25
273	321	R&D Development, Inc., Chicago, IL	Manuel Rodriguez	General Contractor	50	1977	6.24
274	300	Martinez & Turek, Inc., Riverside, CA	Laurence R. Martinez	Machine Shop	91	1980	6.23
275	295	Alamo Technology, Inc., San Antonio, TX	Durango Chavarria	Engineering/Mfg.	80	1981	6.20
276	288	San Antonio Press, Inc., San Antonio, TX	Jose H. Medellin	Printing	75	1975	6.20
277	330	Victor Auto Truck Plaza, Placerville, CA	Victor M. Covarrubias	Auto Dealership	20	1982	6.20
278	385	La Salle Trucking Co., Chula Vista, CA	J. Frank La Salle	Transportation	100	1933	6.18
279	•	Sanfer Sports Cars, Inc.**, Hialeah, FL	Carlos Santisteban	Auto Dealership	5	1973	6.17
280	•	Pressure Systems, Inc., Hampton, VA	Douglas B. Juanarena	Electronic Pressure Meas.	85	1977	6.10
281	339	Tramex Travel, Austin, TX	Juan Portillo	Travel Agency	21	1984	6.10
282	415	Roses Southwest Papers, Inc., Albuquerque, NM	Robert E. Espat	Paper Mfg.	29	1984	6.06
283	315	Alaniz & Sons, Inc., Mt. Pleasant, IA	Salvador Alaniz, Jr.	Direct Mail Services	300	1976	6.05
284	392	Chaparral Fruit Sales, San Antonio, TX	Mario Lopez	Produce Marketing	7	1982	6.00
285	267	Hurdan Corp., Santa Fe Springs, CA	J. Jay Hurtado	Metal Service Center	24	1981	6.00
286	307	Miami Free Zone, Inc., Miami, FL	German Leiva	Bonded Warehouse	71	1976	6.00
287	298	La Flor Produce Co., Inc., Brooklyn, NY	Ruben LaTorre	Mfg./Dist. Spices	49	1962	6.00
288	262	Pamtours, Inc., New York, NY	Alvaro Pena	Travel Services	15	1965	6.00
289	333	National Water Purifiers, Inc., Hialeah, FL	Judith Garcia Prado	Water Purifiers	75	1969	6.00
290	308	Reed Candle Co., San Antonio, TX	Peter N. Reed	Candle Manufacturing	75	1937	6.00
291	338	Protec, Inc., Miami, FL	Alfredo Sotolongo	A/C Product Supplies	25	1971	5.90
292	345	North American Trade Corp., Houston, TX	Jorge Guleff	Export/Import	13	1984	5.90
293	•	CSR Construction Corp., Nutley, NJ	Francisco Jose Salas	Architect	25	1982	5.90
294	349	Dixie Numerics, Inc., Lake City, GA	R.A. Suarez	Auto Tool Mfg.	85	1981	5.86
295	357	Montemayor y Asociados, Inc., San Antonio, TX	Carlos R. Montemayor	Advertising Agency	15	1983	5.80
296	326	Manny Varas & Assoc., Miami, FL	Manny Varas	Insurance	703	1976	5.80
297	•	Beagle Products, Inc., Miami, FL	Rafael Puga	Seafood Importer	5	1987	5.80
298	261	Independent Forge Co., Orange, CA	Rosemary L. Ruiz	Aluminum Forgings	72	1975	5.77
299	327	P & E Terminal Co., Inc., Wilmington, CA	Elisa J. Aguilera	Bonded Warehouse	56	1978	5.70
300	332	First Alliance Insurance Co., Miami, FL	Jesus Suarez	Insurance	20	1986	5.62

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Rank 1988	Rank 1987	Company and Location	Chief Executive	Type of Business	Number of Employees	Year Started	1988 Sales*
301	347	Original Impressions, Inc., Miami, FL	Rolando [illegible] Garcia	Graphics/Printing	86	1982	$5.60
302	•	Chem-Tech Systems, Inc., Los Angeles, CA	Connie Carrasco	Storage Facility	30	1980	5.60
303	•	WAPORA, Inc., McLean, VA	Juan J. Gutierrez	Environmental Engineering	75	1968	5.60
304	230	The Diaz Corp., Jay, ME	Jose W. Diaz	General Contractor	90	1978	5.50
305	347	Nelson Maintenance Services, Inc., Yonkers, NY	Nelson Gilbert	Janitorial Services	330	1976	5.50
306	•	Raynor Electric Co., Inc., San Gabriel, CA	Raymond C. Morales	Electrical Contractors	50	1978	5.50
307	•	Monti Moving & Storage, Inc., Brooklyn, NY	Montiano Ascanio	Moving & Storage	67	1961	5.47
308	436	Vaquera Construction Co., Plymouth, MI	Steve Vaquera	General Contractors	25	1983	5.42
309	245	Del Rey Chemical, Inc., Alvin, TX	George Hernandez	Chemical Dist.	9	1978	5.38
310	425	World Commerce Forwarding, Inc., Houston, TX	Frank Reyes	Freight Forwarders	35	1980	5.33
311	294	Sun Eagle Corp., Chandler, AZ	Martin Alvarez	General Contracting	21	1976	5.27
312	287	Reza Brothers Construction, Inc., El Paso, TX	Jesus Reza	Home Building	8	1981	5.27
313	393	G. Valdes Enterprises, Inc., Palatine, IL	Gilberto Valdes	Janitorial Supplies	15	1973	5.20
314	344	Castro-Blanco, Piscioneri & Assoc., New York, NY	David Castro-Blanco	Architecture/Engr.	70	1965	5.20
315	346	Cumbre, Inc., Upland, CA	James Contreras	Insurance Underwriters	11	1986	5.20
316	374	Rivasal International, Cincinnati, OH	Luis O. Riva Saleta	International Marketing	4	1982	5.20
317	391	Emily Investments, Houston, TX	Emily Guillen	Real Estate Sales	18	1986	5.19
318	283	Losada Truck and Equipment, Miami, FL	Jorge Losada	Truck Dealer	9	1967	5.19
319	461	PreCon Products Ltd., Simi Valley, CA	David Zarraonandia	Precast Concrete Products	20	1963	5.17
320	361	Foods From Spain, Inc., Miami, FL	Lilliam Martinez	Food Dist.	17	1987	5.10
321	440	Ferrous Metal Processing, Inc., Brooklyn, OH	Eduardo Gonzalez	Sheet Metal	82	1963	5.10
322	430	Heavy Truck Service, Inc., Miami, FL	Rafael Feraz	Trucking	28	1969	5.05
323	•	Turbo Auto Clean, Orlando, FL	Edwin A. Rivera	Auto Dealership	2	1984	5.05
324	•	Maxsos Corp., Lakeworth, FL	Silvio J. Estrada	Dyslexic Education	51	1968	5.01
325	367	Berthel Contracting Co., Inc., Detroit, MI	Leo Berthel	Decorative Concrete Constr.	40	1963	5.00
326	402	Equity Temporary Services, New York, NY	Miriam Arias	Temporary Services	12	1985	5.00
327	442	Hugo's Cleaning Service, Lisle, IL	Hugo Pascual	Janitorial Service	492	1971	5.00
328	389	CHCG Architects, Inc., Montclair, CA	Armando L. Gonzalez	Architecture	72	1964	5.00
329	363	Ernie Sandoval Enterprises, Oceanside, CA	Ernie Sandoval	Restaurant Chain	150	1983	5.00
330	473	Spray Booth Systems, Inc., Fort Worth, TX	John Pereda	Paint Spray Booth Mfg.	60	1983	5.00
331	337	Super Brite Screw Corp., Hialeah, FL	Felix Iglesias	Bolts/Nuts/Screws	59	1976	5.00
332	385	Ortiz Superior Enterprises Corp., Miami, FL	James A. Ortiz	International Sales	5	1979	5.00
333	•	Scientech, Inc., Idaho Falls, ID	L. J. Ybarrondo	Engineering/Mgmnt. Consulting	45	1983	5.00
334	342	Pan American Frozen Foods, Inc., Miami, FL	Lazaro R. Menendez	Frozen Foods	7	1972	4.95
335	398	Televideo San Diego, San Diego, CA	[illegible]	Video/Audio Equip.	22	1978	4.91
336	399	Intra-American Found. & Drilling, Phoenix, AZ	Salvador H. Altamirano	Foundation Construction	45	1986	4.87
337	355	Greg's Trucking, Inc., Racine, WI	Gregory A. Cruz	Truck Services	7	1978	4.82
338	310	Belco Resources, Inc., Eastchester, NY	John J. Cuadrado	Export/Chemicals	9	1974	4.80
339	370	Glasco Industries, Inc., Miami, FL	Jesus M. Martinez	Glass Dist.	36	1977	4.80
340	392	Los Angeles Blow Molding Co., Inc., Commerce, CA	Hugo A. Bastidos	Plastic Mfg.	130	1970	4.80
341	368	U.S. Guards Co., Inc., Los Angeles, CA	Ernest A. Padill[illegible]	Security Guard Service	350	1947	4.80
342	363	Air Conditioning Systems, Inc., La Habra, CA	Donald E. Cervantes	Mechanical Contractor	40	1946	4.70
343	400	Centinel Bank of Taos, Taos, NM	Martin E. Romero	Commercial Bank	41	1969	4.63
344	383	The O.C. Lugo Co., Inc., Spring Valley, NY	Oscar C. Lugo	Chemical Dist.	6	1974	4.60
345	396	75-35 Meat Corp., Woodhaven, NY	[illegible]	Supermarket Chain	33	1985	4.50
346	445	Ideal Industrial Electronic Supply, El Paso, TX	Tony Rodriguez	Electronic Dist.	14	1974	4.50
347	387	Allied Trucking of Florida, Hialeah, FL	Raul O. Sotolongo	Construction Trans.	9	1983	4.50
348	•	Web Masters, Inc., City of Industry, CA	Richard Garavito	Advertising/Printing	68	1980	4.50
349	•	Beam Radio, Inc., Miami, FL	Manuel Alvarez, Sr.	Radio Communication	15	1976	4.50
350	410	Portland Mailing Services, Inc., Portland, OR	David P. Torres, Jr.	Direct Mail Services	100	1940	4.50

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351	364	JJJ Floor Covering, Inc., Whittier, CA	Jose Gutierrez	Carpet Floor Covering	30	1984	$4.50
352	395	South Florida Insurance Underwriters, Miami, FL	Julio Mederos	Insurance Underwriters	10	1967	4.50
353	•	Essco Wholesale Electric, Anaheim, CA	Don Tapia	Electrical Supplies	14	1975	4.50
354	393	Sandoval Dodge, Las Cruces, NM	Rudy Sandoval	Auto Dealership	17	1969	4.49
355	356	Electrical Contractors of Calif., El Segundo, CA	John Razonable	Electrical Contractor	43	1978	4.30
356	371	Gusto Food Sales, Inc., Miami, FL	Victor Rodriguez	Wholesale Food Dist.	16	1973	4.25
357	313	Cisco Electrical Supply Co., Columbus, OH	Francisco J. Muguruza	Electrical Dist.	8	1978	4.23
358	•	Utility Industrial Supply, Los Angeles, CA	Paul Beneveniste	Industrial Hardware	12	1949	4.21
359	488	Cardenas/Fernandez & Assoc., Inc., Chicago, IL	Henry Cardenas	Special Events/Marketing	8	1981	4.20
360	408	Cybernetics Systems Int'l Corp., Coral Gables, FL	Claudio J. Mendoza	Automated Workforce Mgmt.	48	1980	4.20
361	•	Martinez & Assoc., Inc., Dallas, TX	Luis Martinez	Advertising Agency	11	1985	4.20
362	469	Mast Distributors, Inc., Hauppauge, NY	Jaime A. Santiago	Electronic Components	11	1978	4.20
363	351	New El Rey Sausage Co. Inc., Vernon, CA	Laura Belverde-Sanchez	Sausage Manufacturer	50	1983	4.20
364	463	Future Packaging, Inc., Santa Clara, CA	Rufino Vega	Packing/Crating Service	80	1973	4.10
365	421	G & D Aircraft Parts, Inc., Pomona, CA	Fred Saldana, Sr.	Foundry/Aluminum Casting	52	1968	4.10
366	483	Campos Construction Co., Inc., Omaha, NE	Robert Campos	General Contractor	22	1977	4.10
367	424	Commerce Glove Co., Inc., Santa Fe Springs, CA	Bartolo G. Rodriguez	Glove/Work Clothes Mfg.	12	1975	4.10
368	405	Int'l Trucking Co., Inc., Laredo, TX	Samuel P. Alexander	Trucking	75	1964	4.10
369	267	TechniServ Data Systems, Inc., Teaneck, NJ	Lutfi G. Mansoor	Data Processing Equip.	31	1974	4.10
370	417	Telesound Systems Corp., Miami, FL	Peter E. Padron	Business Phone Systems	33	1975	4.10
371	317	Signet Paper Co., Los Angeles, CA	Ignacio Mejia	Printing Paper	16	1967	4.07
372	486	Diaz Foods, Inc., Atlanta, GA	Reno M. Diaz	Food Service Dist.	20	1980	4.00
373	359	Deupi and Assoc., Inc., Washington, DC	Carlos Deupi	Architecture/Int. Design	65	1968	4.00
374	350	Hydro-Pneumatics, Inc., Deer Park, NY	Gerard F. Lopez	Hydrolic/Pneumatic Valves	15	1964	4.00
375	388	Borton, Inc., Cerritos, CA	David Morales	Painting/Wallcovering	60	1976	4.00
376	433	Garcia's, Inc., Herndon, VA	Aurelio V. Garcia	Waste Removal	50	1980	4.00
377	•	Aldel, Inc., New York, NY	Martin Rivas	Graphics	39	1966	4.00
378	•	National Communications Sales, Miami, FL	Robert J. Rodriguez	Sales Promotions	20	1982	4.00
379	358	Mirta De Perales, Inc., Coral Gables, FL	Mirta Raya Perales	Beauty Products	30	1964	3.97
380	•	Pete Gallegos Paving, Inc., Laredo, TX	Pete Gallegos	Street Paving	72	1973	3.95
381	•	V&P Holding Co., Inc., Metairie, LA	Vincente Echegarrua	Construction	10	1974	3.94
382	460	J.R., Inc., Converse, TX	Jesse Rodriguez	Educational Furn. Dist.	8	1978	3.93
383	413	Craftsmen Corp., Smithtown, NY	Alejandro Salas	Integrated Logistics	47	1979	3.90
384	399	Valdez Transfer, Inc., Phoenix, AZ	Ted Valdez	Moving/Storage	115	1957	3.90
385	•	A & R Janitorial Service, Cicero, IL	Angelo Velasquez	Janitorial Services	306	1967	3.90
386	448	Balado National Tires, Inc., Miami, FL	Manuel Balado	Retail Tires	22	1962	3.80
387	•	Russ Pitney Earthmoving Co., Albuquerque, NM	Ernest Blair	Earth Moving	20	1948	3.80
388	•	Paramount, Inc., Cleveland, OH	Edward J. Alverez	Employment Agency	250	1968	3.80
389	449	Countryside Landscaping, Inc., Palatine, IL	Raul Del Toro	Landscaping	85	1975	3.77
390	378	Sound Electric Corp., Bronx, NY	Lawrence Rego	Electrical Contractor	44	1981	3.72
391	•	Shifa Services, Inc., Hackensack, NJ	Jorge A. Haedo	Janitorial Service	207	1980	3.71
392	456	Tejas Office Products, Inc., Houston, TX	Lupe Fraga	Office Supplies	25	1962	3.70
393	394	Ruiz Mexican Foods, Inc., Ontario, CA	Edward F. Ruiz	Mexican Food Mfg.	72	1950	3.65
394	470	Ortiz Bros. Insulation, Inc., Baytown, TX	Tino G. Ortiz	Insulation	90	1960	3.60
395	•	Florida Desk, Inc., Oviedo, FL	Tom Suarez	Office Furniture	35	1979	3.60
396	•	Peppers Unlimited, Inc. City of Industry, CA	Gilbert M. Medina	Food Service Products	6	1986	3.60
397	•	First Miami Insurance Co., Miami, FL	Pedro Ramon Lopez	Insurance	18	1988	3.60
398	•	Advanced Data Concepts, Inc., Portland, OR	Frank E. Rivera	Computer Systems	140	1978	3.59
399	499	G.P. Materials, Inc., Gregory, TX	Ernest V. Solis	Sand/Gravel Hauling	60	1980	3.53
400	478	Intercontinental Marble Corp., Miami, FL	Gerardo Diaz	Granite/Marble Floor Products	8	1983	3.51

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401	•	Hydraulics, Inc., West Palm Beach, FL	Humberto Farinas	Hydraulic Components	23	1981	$3.51
402	350	Aztec Plastics, Inc., Mt. Clemens, MI	Edward M. Requel	Automotive Plastic Products	73	1979	3.50
403	449	Camax International, Inc., Miami, FL	Philip R. Lecours	Medical Equip./Supplies	9	1974	3.50
404	428	Delaco Supreme Tool & Gear, Roseville, MI	Charles F. Diez	Precision Gears	52	1980	3.50
405	•	Certified Fasteners, Inc., Santa Fe Springs, CA	Louis A. Frias	Threaded Products Mfg.	15	[illegible]	3.50
406	397	Molzen-Corbin & Assoc., Albuquerque, NM	Adelmo E. Archuleta	Architecture/Engr.	67	1960	3.46
407	454	Orbit Finer Foods, Inc., Choctaw, OK	R.E. Aco	Mexican Food Mfg.	63	1964	3.45
408	420	Editorial Cernuda, Inc., Miami, FL	Ramon Cernuda	English Courses	75	1977	3.43
409	•	Meta, Inc., Miami, FL	Maria Elena Torano	Consulting Services	22	1979	3.40
410	•	Greenbar Corp., Thorton, CO	Gary Solis	Computer Sales/Service	18	1984	3.40
411	395	Orange County Nameplate Co., Santa Fe Springs, CA	Elias Rodriguez	Graphic Art	87	1965	3.40
412	471	Pronto Post, Inc., Hialeah, FL	J. Michael Vazquez	Direct Mail Service	50	[illegible]	3.40
413	463	Trenex, Inc., Colorado Springs, CO	Troy Valdez	Electrical Transformers	85	[illegible]	3.40
414	476	Service Electric Co., Inc., Albuquerque, NM	Sam Alderete	Electrical Contractor	45	1970	3.40
415	•	L&M Technologies, Inc., Albuquerque, NM	A.R. Montoya	Engineering	100	1972	3.40
416	•	RAM Enterprises, Inc., Valencia, CA	Marline Monstein	Electronic Cablas	12	1985	3.39
417	462	Western Radio Electronics, San Diego, CA	Ruben Rosental	Electronic Components	25	1932	3.36
418	496	El Monte Tile Co., Inc., El Monte, CA	Sylvia Rivas	Tile Wholesaler	21	1955	3.33
419	494	Mar-Bro Mfg., Inc., Phoenix, AZ	Fred Martinez	Socket Cap Screws	17	1975	3.31
420	480	Omega Precision, Santa Fe Springs, CA	Joseph M. Venegas	Machine Shop	45	1965	3.30
421	•	Quezada Navarro & Co., San Diego, CA	Ramon Navarro	Accounting Services	60	1969	3.30
422	364	Triton Corp., Silver Spring, MD	Richard D. Salvatierra	Management Consultant	5	1979	3.30
423	474	Telexport, Inc., Hialeah, FL	Danilo Alonso	Electronics Mfg./Imports	30	1984	3.30
424	475	WMZ Manufacturing Co., Inc., East Hartford, CT	Magno Palacios	Aerospace Parts Mfg.	42	1978	3.30
425	438	Arango Construction Co., Bothell, WA	J.A. Arango	General Contractor	10	1973	3.25
426	331	Alman Electric, Inc., Mesquite, TX	Joe Alcantar	Electrical Contractor	35	1979	3.24
427	432	El Indio Shops, Inc., San Diego, CA	Ralph Pesqueira	Mexican Restaurants	124	1940	3.20
428	•	Cave Imaging Systems, Inc., Santa Clara, CA	Eduardo Cabrera	Security Services	100	1986	3.20
429	•	Advanced Business Systems, Chicago, IL	Norman Toscano	Office Equipment	17	1975	3.20
430	•	AVG, Inc., Valencia, CA	Alvaro Villa	Robotics Equipment	50	1978	3.20
431	•	AVS/K Assoc., Inc., Lawrence, KS	Kenneth A. Martinez	Computers	175	1979	3.20
432	•	Dade Steel Sales Corp., Miami, FL	Luis M. Garcia	Steel Dist.	12	1979	3.20
433	450	Ebco, Inc. Chicago, IL	Everett Bernardo	Indust. Rubber Products	8	1963	3.10
434	•	Alliance Supply, Inc., Newton, MA	Carlos M. Aspuru	Stocking Dist.	17	1985	3.10
435	•	Asociacion Legal Latinoamerica, Beverly Hills, CA	Louis F. Vargas	Management/Advertising	17	[illegible]	3.10
436	•	La Conga Supermarket, Inc., Jersey City, NJ	Adilio Gonzalez	Supermarket Chain	15	1971	3.10
437	443	Strauss Plastic Co., Inc., Newark, NJ	Rodolfo Strauss	Plastic Injection Molding	32	1972	3.10
438	464	Bayou State Security Serv., Inc., New Orleans, LA	James B. Perez	Security Guard Services	230	1975	3.07
439	•	Continental Binder & Spec., Gardena, CA	Andrew H. Lisardi	Looseleaf Products	67	1978	3.02
440	498	Excel Transnational, Inc., Willowbrook, IL	Eugene R. Constance	Railcar Maint./Equip.	7	1980	3.00
441	368	Amigos Canning Co., Inc., San Antonio, TX	R.E. Velasco, Jr.	Mexican Foods Mfg.	40	1925	3.00
442	473	Mark Metals, Inc., City of Industry, CA	Mark Valle	Metals Dist.	20	1980	3.00
443	•	North Shore & Central Freight, Forest View, IL	David P. Hernandez	Transportation	24	1930	3.00
444	489	La Tortilla Factory, Inc., Santa Rosa, CA	Carlos Tamayo	Mexican Food Mfg.	55	1977	3.00
445	•	Ace Carton & Tape of Laredo, Laredo, TX	Oskar Benavides Vega	Paper/Tapes	25	[illegible]	3.00
446	497	Valbro Business Forms, Inc., Winter Garden, FL	Albert C. Valdes	Business Forms	50	1937	3.00
447	492	Tamez-Thomas, Inc., Houston, TX	George N. Tamez	Masonry Contractor	60	1985	3.00
448	•	M&M Automated Services Co., Amherst, NH	Marlene M. Monnar	Computer Supplies	6	1982	3.00
449	•	La Fronteriza, Inc., Walbridge, OH	Jesus Gonzalez, Jr.	Mexican Food Mfg.	50	1974	3.00
450	•	Florida West Agency, Miami, FL	Abelardo Betancourt	Cargo Airline Service	30	1988	2.98

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451	•	Apache Construction Co., Albuquerque, NM	Mariano Chavez, Jr.	General Contractor	[illegible]	1981	$2.95
452	•	Parts Overseas Corp., Miami, FL	Francisco Fernandez	Automotive Exports	8	1986	2.92
453	•	Gilcam Supply, Inc., Houston, TX	Alexander Tero	Exporter	11	1980	2.90
454	•	Tampa Brass & Aluminum Co., Tampa, FL	Sam S. Leto, Jr.	Brass/Aluminum Products	85	1957	2.90
455	485	Alto Systems, Inc., City of Commerce, CA	Alfred R. Garcia	Warehouse/Dist.	85	1983	2.85
456	•	Carabie Corp., Bronx, NY	Ernest Sanchez	Painting	40	1976	2.80
457	•	Nick Mendoza Productions, Burbank, CA	Nicolas Mendoza	Commercials Production	10	1984	2.80
458	•	Upsilon Corp., Denton, TX	Julio G. Lence	Auto Dealership	16	1970	2.80
459	•	D.V. Gonzalez Elec., Inc., Rochester, NY	Dave Gonzalez	Electrical Contractor	20	1980	2.80
460	•	Kimberley Industries, Portland, OR	Dan Fajardo	Tooling Consultant	17	1983	2.80
461	•	Grau & Co., Miami, FL	Jose L. Urrechaga	Accounting Services	30	1970	2.80
462	441	Temp Seal, Inc., Compton, CA	Ralph Barba	Refrigeration	56	1961	2.75
463	•	Bancroft, Garcia & Lavell, Los Angeles, CA	Lauro Garcia III	Investment Bank	10	1988	2.75
464	•	E.M.W., Inc., Farmington, NM	E. Michelle Isias-Walters	Temporary Personnel Services	7	1981	2.74
465	•	Royal West Properties, Inc., Miami, FL	Gaston E. Cantens	Real Estate Sales	6	1982	2.72
466	•	Bryce W. Parker, Inc., South El Monte, CA	Robert Reyes	Service Station Builder	25	1952	2.70
467	•	Art's Photo Graphic Supplies, El Paso, TX	Art Moreno, Sr.	AV Sales/Service	34	1972	2.70
468	457	International Creative Data Ind., Bethel, CT	J. Villodas	Electronic Mfg.	40	1975	2.70
469	484	Lasermation, Inc., Philadelphia, PA	Joseph Molines	Laser Engraving/Machining	38	1969	2.67
470	311	InterAmerica Research Assoc., Inc., McLean, VA	Juan J. Gutierrez	Systems Integration	35	1972	2.66
471	•	Casabiel Steel Fabricator, Jersey City, NJ	Felipe J. Casas	Steel Mfg.	50	1985	2.63
472	469	Falcon Industrial Supply, Inc., El Paso, TX	Al Melendez, Jr.	Indust. Supplies Dist.	10	1975	2.60
473	•	Fernandez & Fields Adv.**, San Antonio, TX	Rafael Fernandez	Advertising Agency	4	1984	2.60
474	•	Valley Pride Foods Dist., McAllen, TX	Homer Rodriguez	Poultry/Meats	12	1988	2.60
475	•	Nueces National Bank, Corpus Christi, TX	Juan Rosenbaum	Commercial Bank	30	1973	2.56
476	•	El Paso Litho Plate Co., El Paso, TX	Manuel S. Martinez	Printing Supplies	13	1958	2.55
477	•	Vinyl Technology, Inc., South El Monte, CA	Carlos A. Mollura	Plastic Film Processor	80	1981	2.53
478	•	Bakery Equip & Serv Co., San Antonio, TX	Elias Escamille III	Mexican Food Equip.	31	1965	2.50
479	•	TEX MEX Transportation, Inc., Franklin, WI	Oscar Ibarra	Transportation	5	1970	2.50
480	•	Solar Spring Co., Chicago, IL	David Diaz	Spring Mfg.	65	1979	2.50
481	•	Plastic Supply & Fab., Denver, CO	Guy A. Baca	Plastics Dist.	22	1985	2.50
482	•	Odell's International, Miami, FL	Rafael Gonzalez	Marketing/Promotional Items	19	1985	2.50
483	•	Matt's El Rancho, Inc., Austin, TX	Matt Martinez, Sr.	Mexican Restaurant	90	1952	2.50
484	•	Hartec Enterprises, El Paso, TX	J. Anthony Ruiz	Ground Support Equip.	48	1978	2.50
485	•	Neira Williams Baber & Jarrin Adv., Los Angeles, CA	Daniel A. Neira	Advertising Agency	8	1987	2.50
486	453	National Export Crating Co. of Texas, Houston, TX	Samuel N. Marroquin	Industrial Packing	45	1979	2.47
487	•	UNI Enterprises, Inc., Brooklyn, NY	Jimmy Hu	Hospital/Marine Supplies	20	1971	2.40
488	•	C.V.I. Electric, Cedar Grove, NJ	John Vera	Electrical Contractor	22	1963	2.35
489	•	Modern Sanitation Systems, East Orange, NJ	Sergio Benvenuto, Sr.	Janitorial Service	212	1981	2.34
490	•	ACME Meat Co., San Antonio, TX	Andrew E. Garcia	Wholesale Meats	30	1969	2.34
491	•	Bremer Construction Co., Denver, CO	Rosemary Bremer	General Contractor	56	1969	2.30
492	•	Leumar Roofing Co., Inc., Passaic, NJ	Jose Baez	Roofing Contractor	21	1984	2.30
493	•	A & H Steel Fabricators, Santa Barbara, CA	Joseph Q. Herrera	Steel Mfg.	33	1979	2.29
494	•	U.S. Building Materials, Rancho Cordova, CA	Albert Garcia	Door Mfg.	19	1982	2.25
495	•	Jason International Optical, Inc., Elizabeth, NJ	Victor Omar Suarez	Eyeglass Frames	9	1983	2.25
496	•	R. Palacios & Co., Miami, FL	Rafael R. Palacios	Mechanical Contractor	14	1983	2.20
497	•	Luna Defense Systems, Inc., Baldwin Park, CA	Albert Luna	Precision Components	25	1974	2.19
498	•	TAG Electric Co., Houston, TX	Thomas A. Gonzales	Electrical Contractor	45	1986	2.18
499	•	La Alianza Hispana, Inc., Roxbury, MA	Luis Prado	Social Service	72	1969	2.16
500	•	Court Courier Systems, Inc., Kenilworth, NJ	Juan Camandona	Delivery Service	76	1978	2.16

*In millions of dollars, as of December 31, 1988. Sales figures appear as reported to Hispanic Business by authorized company representatives. Many companies submitted financial statements.
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FEBRUARY 1990

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HispanicBUSINESS

The magazine for growth companies and ladder-oriented professionals

February 1990 Volume 12, Number 2

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This month's cover design by Buffalo Brothers Studios West.

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DIRECTLINE

FEBRUARY
EW YORK N.

This time of year, the driving questions always have to do with our economy's likely direction. That is particularly true this year, as we enter the final decade of the 20th Century and anticipate a ***new millennium.***

If our feature stories this month can be taken as any indication, the forecast is "cautiously favorable." We know the economy is slowing down (2.6 percent growth in 1989, compared with 4.0 percent in 1983 at the height of the expansion cycle). But as the slowdown drives interest rates down, the forecasters say, the construction and durable goods industries should bounce back.

Meanwhile, opportunities for Hispanic professionals continue to increase, even if such gains remain tied to the vicissitudes of the marketplace. During the 1980s, the number of Hispanic professionals and managers in the United States increased 250 percent—from 576,000 in 1978 to 1,426,000 in 1987—according to the U.S. Census.

That growth is *five times* faster than the growth of the Hispanic population overall. Still, as discussed in this issue, we believe much of the impetus for the increase in Hispanic professionals during the past decade has come from fundamental demographics. Major companies, professional firms, and public sector agencies are taking notice. They are revising their staffing strategies to reflect a surge in the Hispanic customer base and work force.

Today's demand for Hispanic professionals and managers has not always been there. Indeed, historically Hispanics have experienced various forms of discrimination in moving into the professional ranks. Fortunately the dynamics of the marketplace—and specifically market demand—have a way of overriding history.

Another part of the story is that Hispanic professionals are themselves reaching for new personal strategies that will help them maximize their opportunities in the marketplace. One such technique has been the creation of Hispanic support organizations (HSOs) within major corporations. Under Rick Mendosa's direction, the **HISPANIC BUSINESS** research department was able to identify 11 major Hispanic employee organizations in corporations throughout the country.

This month's cover story tells how these organizations were established, and what they do.

We also see that demand for Hispanic professionals will continue to be especially high in the engineering field and service industries. The story entitled "Go Tech, Young Person!" provides instructive detail as to the whys and hows of becoming technologically literate. There's no mystery here. As in other fields, a good education holds the key to a bright future in engineering.

Interestingly, though, the *making* of a career is a different matter. More and more it is becoming clear that development of the basic skills in a profession is not necessarily the only requirement for attaining success. The process of positioning oneself for professional growth and advancement is becoming virtually an independent field of study. Each of the stories in this issue contributes practical advice in that regard.

Editor & Publisher

Apologies to photographer Conrad Gloos, who should be credited for photos of Univision Holdings, Inc., President Bill Grimes and Más *editors Roger Toll and Enrique Fernandez in our December 1989 issue.*

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Talk Isn't Cheap

The next time you open up a magazine, don't be surprised if one of the advertisements says "hello." Texas Instruments has placed a computer chip in a *Business Week* ad that "talks" to the reader about the company's technical achievements. In the December issue of *Vanity Fair*, an Absolut Vodka ad wished readers Merry Christmas in three languages. "Talking ads smack you right in the face," says Arnie Fishman, chairman of Lieberman Research West. "They have tremendous impact because of their shock value." But advertisers may be shocked by the price of these ads–$4 each. Absolut Vodka spent $1 million reaching only 200,000 readers in California and New York. "We know this is a huge market, but only if the price drops considerably," says Christopher Krowell, president of Structural Graphics, which helped develop the Absolut Vodka ad. "In most cases advertisers won't pay $4 for a voice." Some say these ads are just the beginning of a more personalized advertising trend. "In the not-too-distant future, you'll open up your magazine, and it will talk to you specifically by name," says Jim Guthrie, executive vice president of the Magazine Publishers of America. "Imagine a magazine that says, 'Good morning, Bruce, how'd you like to buy a Cadillac?'"

Gearing Up For The '90s

Juan Melendez, Colgate-Palmolive's new head of Hispanic marketing, is looking for "a totally new advertising plan" for the company in 1990, according to a bulletin in *The U.S. Hispanic Report*. Mr. Melendez, who previously worked in marketing at Campbell Soup Co. as well as Gallo, will fulfill his new responsibilities at the general manager level, with four regional specialty market managers under his supervision. This position and the overall expansion of the Hispanic marketing staff suggest an upgrading of the Hispanic marketing department at the firm. Colgate-Palmolive, represented by the Hispanic advertising agency Publicidad Siboney, was the number four Hispanic market advertiser in the United States for 1989, spending $7.8 million on the market.

Hispanic Television On The Rise

Below is a correction of a similiar chart provided in our December 1989 issue (in the article entitled "Contrary to Popular Fact," page 50). An adjustment in the basis used for reporting 1989 Hispanic television advertising revenues had resulted in an understatement of the television ad spending growth between 1988 and 1989. This new chart revises the historical TV ad revenue data used for 1984 through 1988 to better show the true growth of the medium. Therefore, while the December chart indicated a decrease in TV advertising expenditures for 1989, in fact *Hispanic television advertising dollars increased by about 21 percent in 1989.* In cooperation with Univision Holdings, Inc., and Telemundo, Inc., we are currently setting new data gathering standards for the future.

Share of Advertising Expenditures in the Hispanic Market—by Medium (Revised Feb. 1990)

This table represents the market share of each medium by year as a percentage of the total advertising expenditures directed toward the U.S. Hispanic market. The media are placed into five groups.

	Percent of Total Expenditures					
MEDIUM	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**
National TV	14.4	13.7	13.5	19.1	20.4	20.5
National Radio	13.2	13.6	12.7	10.8	8.9	8.8
Group Total	27.6	27.5	26.2	29.9	29.3	29.3
Local TV	15.2	17.1	17.1	21.8	20.5	20.6
Local Radio	24.6	24.6	22.6	25.2	25.9	25.6
Group Total	39.8	41.7	39.7	47.0	46.4	46.2
Independent TV Group	7.5	6.6	11.5	*	0.3	0.4
Print Group	12.1	10.7	9.0	10.4	9.8	9.8
Outdoors	2.7	2.9	3.2	3.1	3.2	3.0
Promotion	9.4	9.7	9.5	8.7	10.1	10.5
Transit	0.9	0.9	0.9	0.9	0.8	0.8
Group Total	13.0	13.5	13.6	12.7	14.2	14.3
Grand Total (%)**	100.0	100.0	100.0	100.0	100.0	100.0
Grand Total ($M)	$263.9	$308.7	$367.4	$451.9	$506.1	$583.6
Annual Growth	27%	17%	19%	23%	12%	15%

*Telemundo consolidation temporarily eliminated the Independent TV category.

**May not total 100% due to rounding.

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Revised 2/90. Percentages and totals will differ from previous versions of the charts (in December issues, 1984-1989) due to corrections and changes in the method of selecting and summarizing figures for the national and local television media. The revised method of tracking these figures will be explained in the December 1990 issue.

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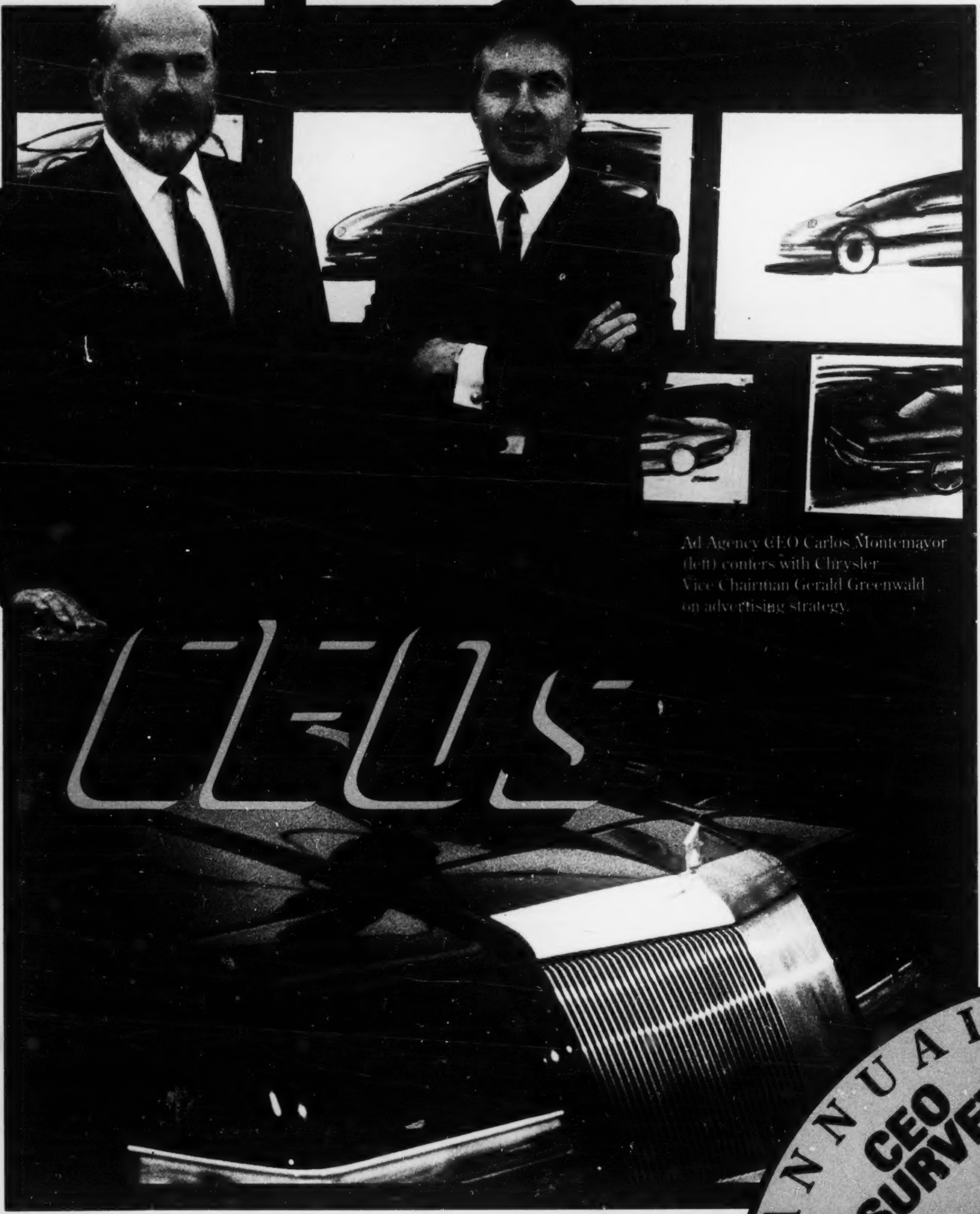

Ad Agency CEO Carlos Montemayor (left) confers with Chrysler Vice Chairman Gerald Greenwald on advertising strategy.

ANNUAL CEO SURVEY

HispanicBUSINESS®
The magazine for growth companies and ladder-oriented professionals
Volume 12, Number 4

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Photo by Bruce Crabb. This month's cover design by Buffalo Brothers Studios West.

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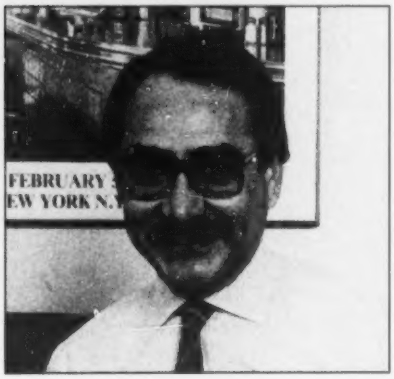

On Wall Street they say if you owe the bank $1 million, you have a problem, but if you owe the bank $1 billion, it is the bank that has a problem.

America's major Spanish language television network is about to put that adage to the test. Univision owes its creditors more than half a billion dollars. In fact if you leave out intangible assets, the company would have a negative net worth of half a billion dollars. And it's losing money at an increasing rate: $32 million in 1988 and $52 million last year.

When Univision didn't have the cash to make its interest payments a couple of months ago, a lot of people got awfully worried about the future of the network. Journalists and analysts from all over the country have been calling us, asking us to speculate on just how badly Hispanics would miss Univision if it went under—or "cratered," as they say on Wall Street.

And they ask one other question. Why would Univision's principal owner, Hallmark Cards, Inc., let something so embarrassing happen, if it weren't about to bail out? After all, as one of this country's biggest privately owned companies, Hallmark Cards has deep pockets and surely could have advanced its subsidiary a few million.

The truth is that for Univision as for many other major debtors, it is those who hold the notes who have a problem. For Hallmark Cards, Univision's financial mess is no morass, but rather a golden opportunity—to cash out of the junk bond market.

Two years ago when Hallmark Cards financed its purchase of Univision with $270 million in high yield, high risk bonds it used the services of Drexel Burnham Lambert, and the junk bond market was strong. But times have changed. In today's depressed junk bond market Drexel itself has cratered, and Hallmark Cards wants to buy back its bonds for just under $106 million.

And that's not all it wants to do. Hallmark Cards, which owns 63.5 percent of Univision, has all the voting stock in the company. It is seeking concessions from First Chicago Corp., which now owns 21.5 percent of Univision, and from Continental Bank Corp., which loaned it a total of $315 million.

It seems clear that Hallmark Cards itself would not benefit from making Univision's missed interest payments: Throwing additional money at the problem would have been throwing it away, considering that the alternative was to restructure the company into a better deal for Hallmark Cards.

One question remains: why did investors purchase all those junk bonds in the first place? The answer—and the problem for Univision—is advertising. Advertising revenues for Spanish language television saw extremely rapid growth in the early and mid 1980s. Now that has slackened, and while revenues continue to increase, rival Telemundo is already taking a bigger share of the pie, and the developing Galavision network threatens to take more. That's the *real* Univision story.

The real story for Hispanic CEOs, whom we surveyed for this issue, also relates largely to finance.

Few if any of the CEOs of the HISPANIC BUSINESS 500 companies had access to junk bonds to finance their start-up. In fact for most of them self-reliance was a virtue born of necessity. The annual CEO survey tells all.

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CEOs

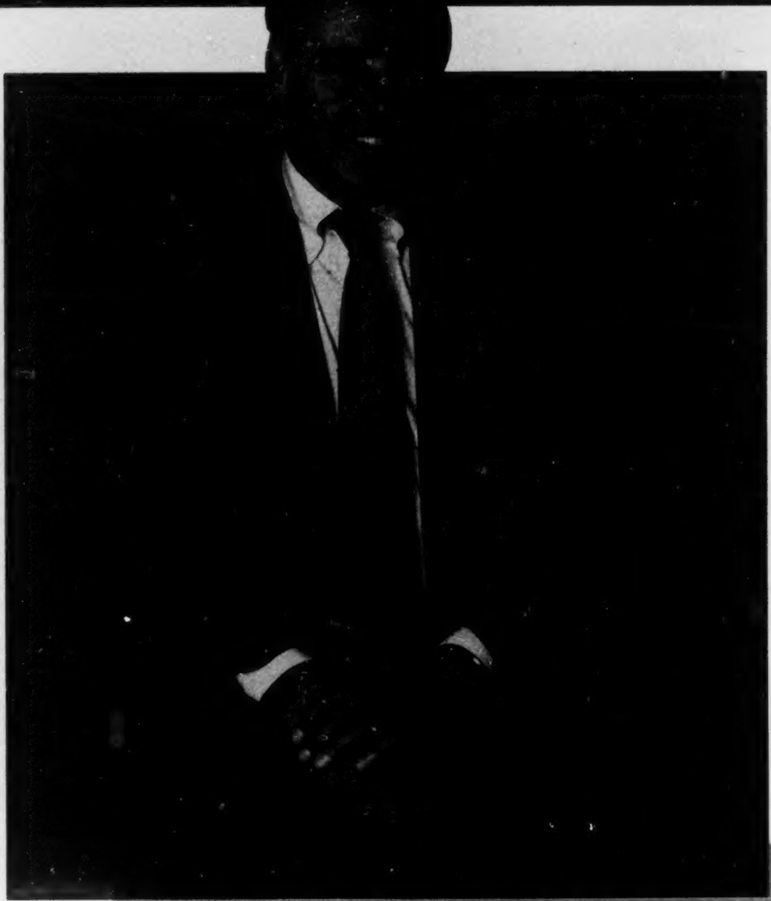
Charging into the '90s

Getting there may be half the fun, but this year's survey of HISPANIC BUSINESS 500 CEOs shows that arriving is better.

When you start your first business, the only start-up capital you can count on is your own savings and, to a lesser extent, what you get from your family and friends. That's it. Forget about the banks. Forget you even *heard* of the Small Business Administration (SBA). Banks and the SBA generally become valuable resources to Hispanic businesses only when they have become well established.

That's the view—quite possibly a dated one—held by many of the HISPANIC BUSINESS 500 CEOs we surveyed.

The scars and pains of starting up their business seem to remain fresh in the memories of these CEOs. While most of the top mainstream corporations are far removed from their entrepreneurial



Bobby Cox thrives in the competitive travel industry just as he did on the football field. Who would guess that a boy who ran away from home at 14 would eventually become the CEO of a $40 million company?

days, a significant portion of the leading Hispanic-owned companies are still close to their beginnings. The median age of the respondents' companies is 15 years, since half were founded before 1975 and half more recently.

The CEOs who feel that banks—and particularly the SBA—ignored their needs may have had unreasonable expectations of the roles these institutions play. Furthermore, as a sidebar to this article points out, the perception of SBA antagonism to start-ups may well be dated. President Bush's commitment to small businesses is a world apart from that of the Reagan Administration.

And of course not every Hispanic CEO goes around criticizing the banks and the SBA. One-fourth of those who responded to our survey actually recommended banks as a source of financial assistance to start-ups. Thirteen percent suggested applying to the SBA. Nevertheless our many follow-up calls to the surveyed CEOs indicated great antipathy to these institutions.

One of the CEOs who had thought that banks and the SBA would help him when he began his business was James A. Ortiz, the chief executive of Orso Superior Enterprises Corp. in Miami. Orso, which ranks 332 in the 1989 **Hispanic Business** 500, is an international commercial refrigeration and air conditioning business with annual sales exceeding $5 million.

Mr. Ortiz got the runaround, to put it mildly. "First, I went to the banks," he says. "The banks suggested that I go to the Small Business Administration. So I went [there] and they said, 'What you have to do is go to the banks and get them to approve it, and we will guarantee it, because at the SBA we don't give money to anybody, we just guarantee the loan.' So I said, 'Once I get approval from the bank, I come back to you?' And they replied, 'No, they will contact us. However, there is no money allotted for any more guarantees now. There is only a waiting list.'"

After that Mr. Ortiz went back to the banks again. They told him they couldn't help him then but offered, "After you've been in business for a couple of years, why don't you come back?" "I felt like telling them, 'Either I won't need you any more then, or I will be out of business,'" he recalls.

Mr. Ortiz used only his own funds plus what he could borrow from friends. He had just $50,000 to get started with. He realizes now that his business was badly undercapitalized and that it was just good luck that Orso survived. Now, with a $500,000 line of credit available at one bank and $400,000 at another, Mr. Ortiz says the bankers keep coming to him and asking whether he needs more money. He may be a bit bitter. Now he tells them, "To hell with it—when I needed [a loan], you people were not ready for me."

Another CEO who used his personal savings to start his business was Juan Portillo of Tramex Travel in San Antonio, Texas. He noted on his questionnaire that "There is very little outside financial assistance for small start-up businesses." But, unlike Mr. Ortiz, Mr. Portillo says that he doesn't blame the banks.

The crux of the problem, as Mr. Portillo sees it, is that while business owners are good at the technical "or *doing* part" of their businesses, they don't do a good job of developing short- and long-term plans. "Financial institutions are willing to take more of a risk if you have a [financial] plan," he feels, "than if you just walk in and say, 'Gee, I want to do this, and I've got a good business plan, but I'm not really sure how I am going to finance it. I need you to lend me the money.'" Such an approach, he says, is sure to be rejected. "Banks are just not in business to make bad loans."

Mr. Portillo speaks from experience, because he didn't have a financial plan when he started Tramex Travel in 1984. "If I were to do what I did five years ago," he says, "it would be done totally different today. I sold two homes and then started buying things, paying cash for everything. If I had taken that money and leveraged it, my first year in business would have been a lot easier. Because people are willing to lend to those who have resources. And I had resources, except that I wasted them. I turned them into resources that were not acceptable for financ-

Let Me Count the CEOs

Hispanic Business sent two-page questionnaires to the CEOs of all the 500 largest U.S. Hispanic companies. We then tabulated the results of this survey for 25 percent of the 500—125 individuals. Statistically speaking this means that there is a 95 percent chance that the sample is within .09 percentage points of the true value for the overall group. And that means the percentages we report here provide a quite accurate profile of the 500.

Many of the CEOs provided detailed responses. And, after our editors analyzed these comments, they followed up with interviews of a sampling of the sample. The interviews provided extensive illustrative material that we were able to draw upon here.

ing purposes. I bought furniture, computers, a company car, and I paid cash."

Pedro Vasallo, the CEO of Vasallo Construction, Inc. in Miami, agrees that Mr. Portillo made a mistake in buying all new equipment. Mr. Vasallo's solution was to rent a cheap warehouse and buy used equipment and furniture.

Like Mr. Portillo, Mr. Vasallo thinks that people starting new ventures aren't likely to have a financial plan. "Maybe he has some technical know-how, or some education in the field he's going to do it in, and drive. But it's very difficult with just those items to walk into a bank and get anyone to talk seriously to you. Banks will talk to you once you *do* have capital."

About one-fifth of the sample—19 percent—say obtaining financing for *continuing* operations and growth is their biggest single business headache today. That's a dramatic increase from the 11 percent who expressed this view last year.

Still, capitalization problems are almost ancient history for the majority of the CEOs. While they may have retained the memories of their difficult times at the beginning, most are doing extremely well these days. For example, 29 percent of them

SBA Comeback

Since many of the CEOs told us the Small Business Administration (SBA) was of little use to start-up businesses, we decided to raise this issue with the SBA. And who better to ask than the administrator herself, Susan Engeleiter? We also sought the opinion of a man who stays in close touch with the SBA—the President of the Latin American Manufacturers Association, Albert S. Jacquez.

Ms. Engeleiter says the negative view these Hispanic CEOs hold of her agency is a "misperception, because we definitely do start-ups, through two financing programs." One of these is the 7(a) program, which guarantees long-term debt financing. The other involves equity financing made available through corporations funded partly by private sector capital. These are called Small Business Investment Corporations (SBICs). Others, devoted particularly to minorities, are called Specialized Small Business Investment Corporations—and are popularly known as Minority Enterprise SBICs or MESBICs. However, these two programs "didn't flourish as much as we would have liked during the 1980s," Ms. Engeleiter says tactfully. While she indicated that she would try to find out how many of the 180,000 currently outstanding 7(a) loans went to start-ups, we had not received that information at press time.

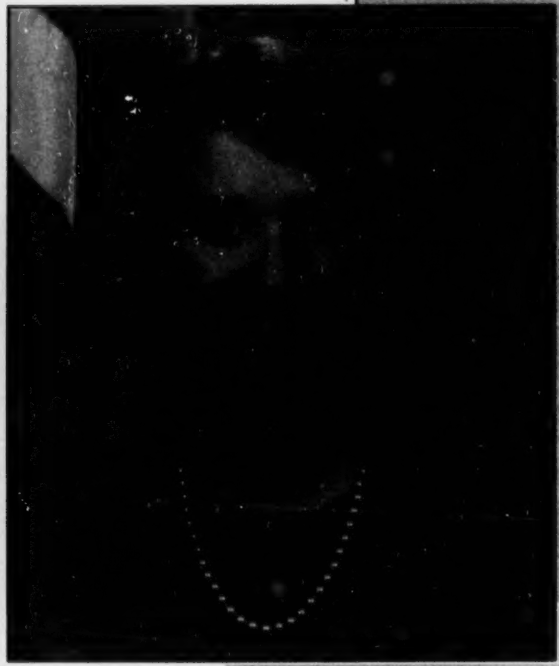
She admits that "there does seem to be a void for people who need a modest amount of money, and there are some financial disincentives for banks to do these really small loans." However, she says the SBA has recently started offering banks financial incentives to make smaller loans of $50,000 to $100,000.

Ms. Engeleiter responded to the charge that CEOs sometimes get the runaround from her agency by noting two new programs for preferred and certified lenders. These programs "have alleviated the problem of people shuffling back and forth between their bank and the SBA," she contends.

It appears the basic reason the SBA has changed is that we have a new president. Ms. Engeleiter notes that she "was directly asked by President Bush to pay special attention to assisting minority-owned and women-owned businesses."

President Bush's support for the SBA is a fundamental change from the open antagonism expressed by President Reagan, Mr. Jacquez says. The SBA was overburdened for the past eight years, and "The Reagan administration was not a friend of the SBA," he says bluntly. "They wanted to cut the SBA completely out of the budget. And they did that. They submitted two budgets with the SBA zeroed out. There's been a remarkable change."

Putting the best light on it, Mr. Jacquez says the activities for which the CEOs criticized the SBA took place during a period of nonsupport for the agency. "I know for certain that the antagonism is no longer there," he concludes.



As administrator of the Small Business Administration, Susan Engeleiter has the support of President Bush to breathe new life into the moribund agency.

own at least one Mercedes Benz. Cadillac was not far behind with 22 percent, and BMW came in third with 13 percent. But only three of the respondents said they owned a Rolls Royce.

This year an even bigger problem than financing is "the competition." A whopping 25 percent of the CEOs who responded to the questionnaire find competitors to be their "Excedrin headache." Last year only about 15 percent figured the competition was the culprit, making the change a remarkable 10 percent during 1989.

Doesn't it seem that everybody's talking about competition more and more? Competition within your industry, competition from the Japanese,

The Average Hispanic Business 500 CEO

- **Has a fax machine and six computers.**
- **Doesn't plan to expand into new products or markets, but expects gains next year.**
- **Does not sub-contract for private firms or the government.**
- **Thinks it is important to belong to Hispanic business groups, but doesn't.**
- **Started the company from personal savings and recommends this for new start-ups.**
- **Used legal assistance only during incorporation.**
- **Says the competition is the biggest headache.**
- **Spouse works for company and they make more than $100,000 a year.**
- **Family has three cars; one is a Mercedes Benz.**

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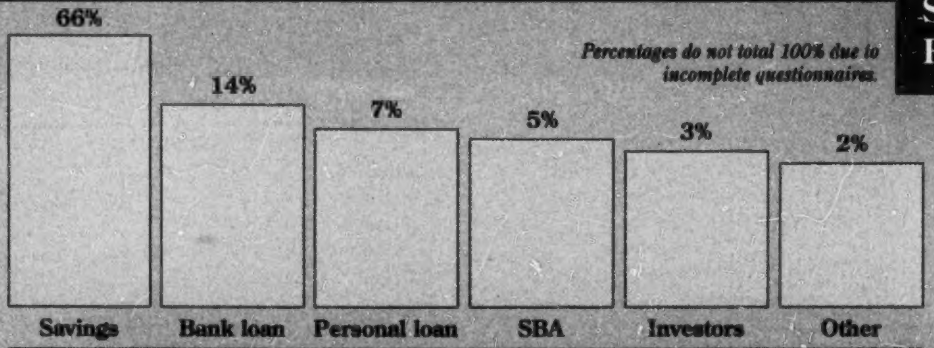
Start-Up Financing



Percentages do not total 100% due to incomplete questionnaires.

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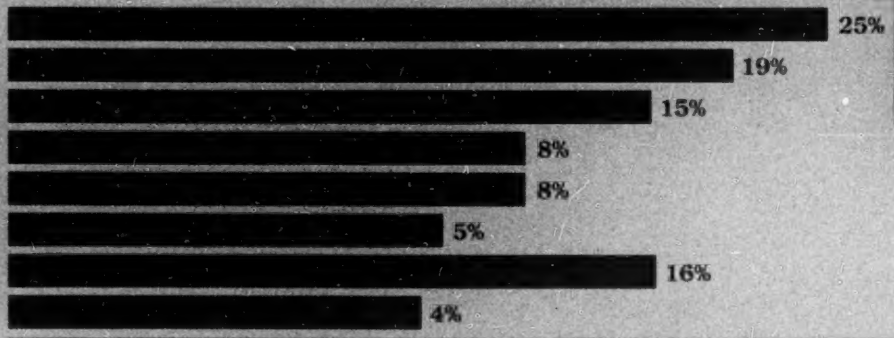
Biggest Business Headaches



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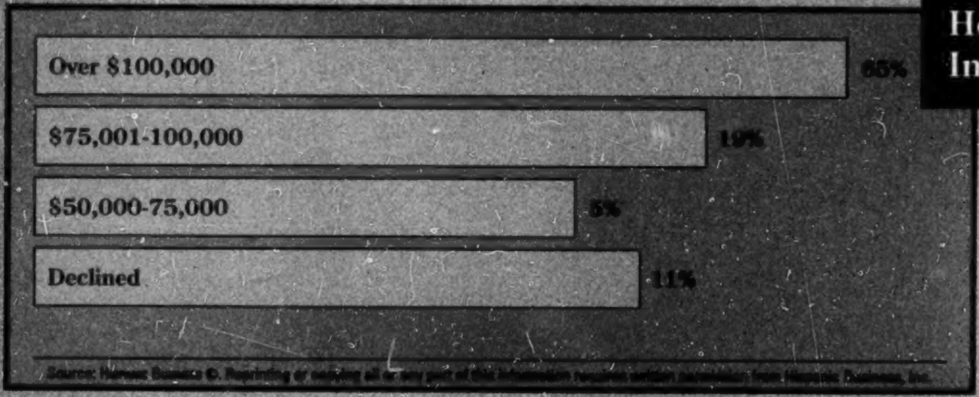
competition ad infinitum. Maybe we should accept these years as the "competitive '90s."

For Robert Arranaga, CEO of Robert Arranaga & Co. in Los Angeles, the competitive problem is that his firm, a wholesale food distributor, sells the same products that his competitors sell. "Only two factors separate us," he says. "One is that we specialize in Mexican restaurants, and the other is our service factor." The company's expansion efforts, therefore, focus on "kitchen-to-kitchen" referrals. "If you do a good job for a guy and he goes to another restaurant, you'll stay at the first place, plus he'll take you with him to the other place."

Competition in the travel industry is just as in-



Household Income

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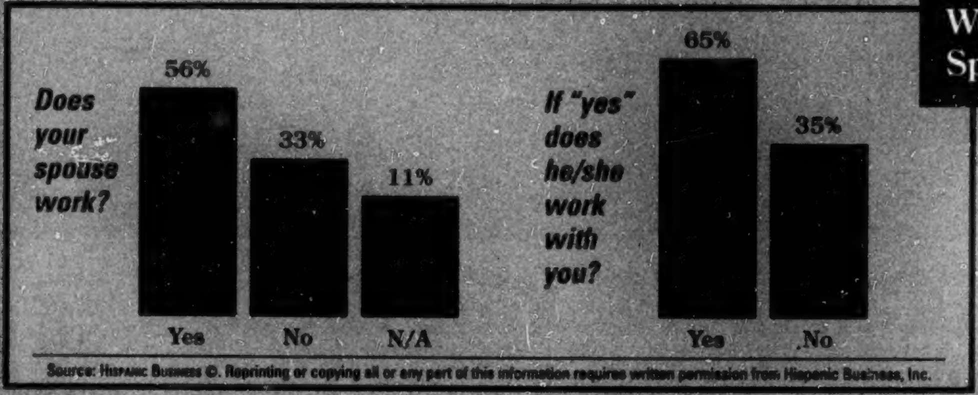

Working Spouses

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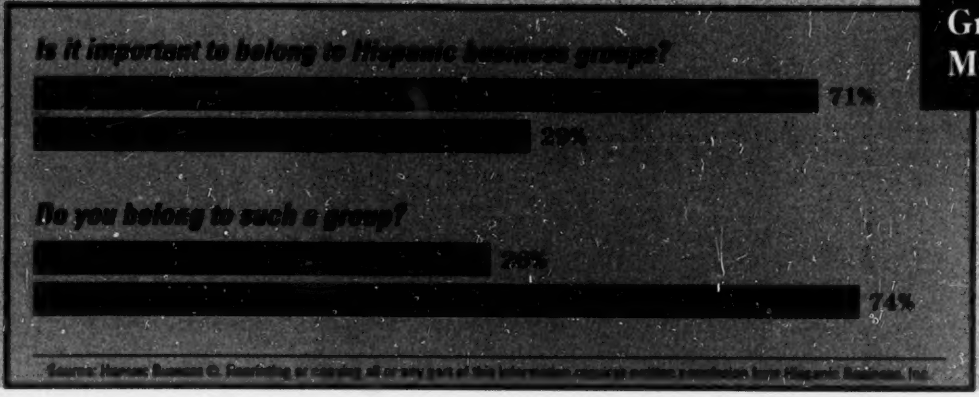

Group Membership

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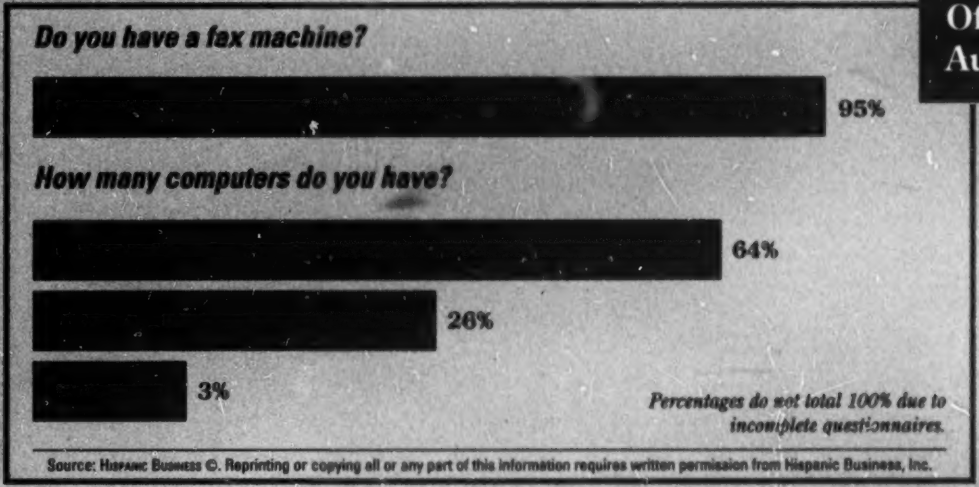
Office Automation



Percentages do not total 100% due to incomplete questionnaires.

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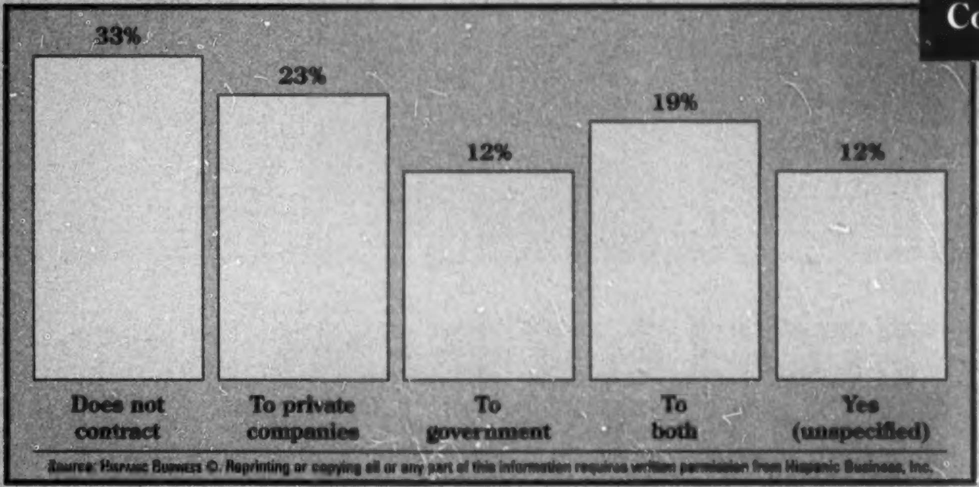
Contracting



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tense. Maybe it was never laid back, but it is positively fierce today. While travel may be a vacation for the customers, carrier deregulation and constant changes in agents' equipment and technology make it an unrelenting contest for the people in the business. Because Robert L. (Bobby) Cox is such a competitive person, he may be ideally placed as the CEO of World Travel & Incentives in Minneapolis. With $39 million in sales last year, his company ranked 48 in the Hispanic Business 500.

This hard-driving son of an Irish father and Mexican mother ran away from the Watts district of Los Angeles when he was 14. Making his way to Walla Walla, Washington, he convinced a series of families to put him through school. Ever the competitor, he became a star college quarterback and was subsequently featured by *Sports Illustrated.*

When Mr. Cox started his own travel business in 1975 he recognized that he would have to gear up to match the equipment and technology that his bigger competitors had. "It's the kind of business where if you are going to be in it for the long run you've got to make some investments, and that means buying and hiring. Then, we do a good job training our people and offer an employee stock ownership program," he points out.

But for many of our CEOs the toughest challenges are closer at hand. "My worst competition is myself," says Rafael Galindo, the owner of the Galindo Financial Corp., a real estate brokerage in Bell, California. "When I am not in a good mood, I am really bad on myself." At least Mr. Galindo can be sure he will win when he decides to fight that kind of competition.

Carlos Montemayor

Montemayor y Asociados

San Antonio, Texas

By Rick Mendosa

Deep in the heart, far from the media barrios of the East and West coasts, a creative group of companies is putting its brand of Texas Hispanic advertising on the national map. Whether large or small, affiliated with important national agencies or independent, these entrepreneurs are winning national accounts from America's biggest companies.

One of this group headed the 1989 Hispanic Business list of Top 10 Hispanic Advertising Agencies (December), and four other Texas agencies probably ranked in the Top 20.

One of these mid-tier advertising agencies, Montemayor y Asociados, has a reputation for strength in both promotional and media campaigns. This San Antonio agency competed head to head with some of the biggest names in the business, emerging from the battle with a prestigious prize—the Chrysler account for the entire Hispanic market.

Montemayor is the only Hispanic-owned agency that has won a domestic car account. General Motors still uses mainstream agencies or other minority agencies to reach the Hispanic market. Ford uses Mendoza, Dillon, which is WPP's Hispanic arm. Lincoln-Mercury places its advertising through the Hispanic branch of the black-owned Uniworld Group.

"The Texas shops all seem to be able to win national business," says Jack Feuer, editor of *The U.S. Hispanic Report*, a Hispanic advertising newsletter, "and Montemayor is no exception. People still think of Los Angeles as the most dynamic Hispanic agency market. While that may be true in terms of sheer size, you can't deny the success of Montemayor and the other Texas shops in picking off the big national names."

How can a Texas firm that ranked 295 on the Hispanic Business 500 last year compete successfully in the main arena? What gives Montemayor y Asociados such influence beyond its size?

The answers are largely contained in the experience of Carlos Montemayor, CEO of Montemayor y Asociados. In this 44-year-old Texas native, Chrysler found the right blend of Hispanic culture, advertising smarts, and knowledge of the automotive industry. Raised on both sides of the Texas-Mexico border, Mr. Montemayor was pushed by his parents into learning English to further his education—while speaking Spanish at home "to keep up with the culture and because we had family in Mexico," he says.

Just out of Northwestern University in the early 1970s, he landed his first job with the Campbell Ewald agency in Detroit. His assignment: work on the Chevrolet account. A short while later he switched agencies, to Ross Roy, Inc., and in the process switched car makers, to Chrysler. This early experience with Chrysler was important to Mr. Montemayor's career in more ways than one. Not only did it introduce him to the company that years later became his biggest client, but it led him into the still very young world of Hispanic advertising.

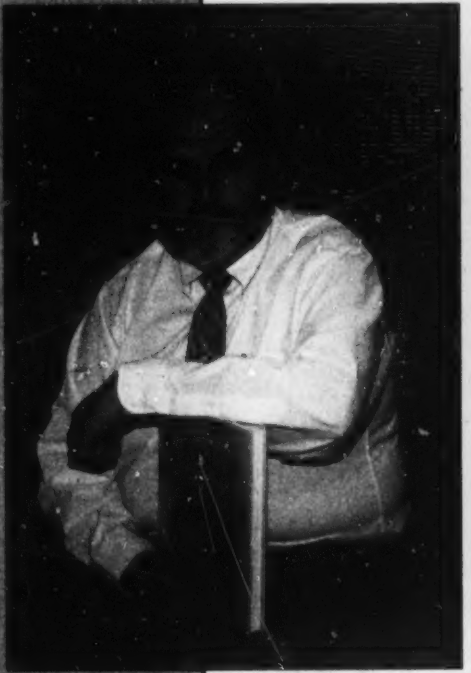
Back in Texas to work on a Chrysler project, Mr. Montemayor was contacted by a Dallas agency seeking Hispanic representation. "That was the first I had even started thinking about it," he recollects. Soon thereafter Mr. Montemayor returned to Texas and in the early 1980s joined Ed Yardang, the first Texas agency to specialize in Hispanic marketing.

By 1983 he had "the entrepreneurial zeal" and started his own business with "no accounts and no employees, just a lot of hopes." After running on a shoestring for more than two years, Mr. Montemayor made his breakthrough in May 1985 when he competed against 12 other advertising agencies to win a hefty $250,000 Pepsi-Cola account.

Meanwhile Chrysler was looking for agencies to handle its minority business. "The most promising agencies came to us in tandem," says Joe Hickey, Chrysler's manager of corporate advertising. Montemayor y Asociados had formed an alliance with the black-owned New York agency of Lockhart & Pettus to bid on other business. "They presented for our business," Mr. Hickey says, "and the chemistry was just right. We were impressed with Carlos's background. Liking his credentials, we decided to get hitched."

While Chrysler continues to be Mr. Montemayor's major client, neither he nor Mr. Hickey will say exactly how big that assignment is. Mr. Montemayor does report that his company's total capitalized billings in 1989 were $6.8 million, and that Chrysler has "significantly increased its efforts since 1987." Mr. Hickey says, "I don't quote numbers," but implied that the account was over $2 million.

As the Chrysler account continues to increase, CEO Montemayor keeps asking himself how his agency can best grow overall. The trend among Hispanic-owned agencies is affiliation with mainstream agencies. They have not overlooked Mr. Montemayor's company. If he does affiliate he won't sell more than 49 percent, Mr. Montemayor says, because both for him and his clients, "It's important to keep a Hispanic-owned shop."



Carlos Montemayor's advertising agency is one of a group of Hispanic shops in Texas now competing successfully for national business. Key clients include the Chrysler account for the entire Hispanic market.

Remedios Diaz Oliver

American International Container, Inc.

Miami, Florida

By George Volsky

In the movie "The Graduate," a young man about to enter the job market a generation ago got three words of advice: "Plastics, plastics, plastics." But looking at the future today, one top executive in the container industry, which is a major plastics consumer, says "Glass, glass, glass."

"Glass is coming back as a container favored by many, including doctors, for both health and environmental reasons," says Remedios Diaz Oliver, president and chief executive officer of American International Container, Inc., (AIC) of Miami. Ms. Diaz Oliver regards the ability to forecast trends and adjust to change as the key to success in any business.

This challenging philosophy has helped to make her family-owned firm the largest distributor of containers in the Southeast, and "the biggest container exporter in the United States," according to Ms. Diaz Oliver. Her husband Fausto and two adult children also work in the business.

Last year AIC grossed more than $76.4 million—10 times its sales in 1976 when it first began operating out of a trailer. Today the main Miami offices and warehouse occupy 140,000 square feet. Other large warehouses serve in Tampa and Orlando, Florida and Montgomery, Alabama. The company employs 169 persons in these U.S. operations, and has opened several additional offices abroad.

"Although our foreign sales account for 40 percent of the total, and we have clients even in New Zealand, the core of our business has always been the stable and expanding domestic market," Ms. Diaz Oliver explains. And competition for that market is tough. "At least half a dozen companies [also privately owned] compete with AIC," says Brett Enmer, head of Emco Container Corporation of Miami. "Ours is a very competitive business and there are many very able and tough individuals who fight to be number one."

AIC's 50-year-old Cuban-born president holds a doctorate degree from the University of Havana, and is regarded as one of the most prestigious business and civic leaders in Florida. Her company employs a roughly even mix of Hispanics and non-Hispanics, and has "broken through the ethnic barrier as far as the clientele is concerned," says Ms. Diaz Oliver.

The largest of AIC's 5,000 clients are Coca-Cola, Pepsi-Cola, Palmolive, Revlon, and many cosmetic, chemical, and pharmaceutical corporations. AIC sells more than 5,000 types of containers, ranging from quarter ounce perfume bottles, some of which cost several dollars each, to inexpensive plastic bottles and jars of all sizes. The company represents more than 100 of the biggest American container manufacturers, among them Owens-Illinois, Standard Container, and Brockway, and their foreign subsidiaries.

The larger clients are served directly from the producers' plants. Others receive containers from AIC warehouses. Sales representatives, Ms. Diaz Oliver says, advise clients on how to design containers and labels (AIC has its own design department), how to develop new lines of products, and how to apply the latest federal and state packaging regulations.

"Because our sector is versatile and complex," she explains, "the need to educate and inform our clients is fundamental. In addition to the rapidly changing rules, there is a new public perception of packaging. For example, our research indicates that some products packaged in opaque plastic containers do not sell as well as the same goods presented in transparent glass. We also check in our laboratory the chemical compatibility of containers and their liners with the products in question."

AIC's policy is to see that the containers they export are manufactured according to the highest American environmental and health care standards, says Ms. Diaz Oliver. "In some countries there are virtually no packaging regulations, which makes substandard types of containers legally acceptable there. But we sell only U.S.-approved products, even if sometimes they are more expensive."

Remedios Diaz Oliver has worked hard to build her company into the "biggest container exporter in the United States," while achieving a high public profile on the national, state, and local levels.

Ms. Diaz Oliver believes in a steady, conservative approach to corporate growth. "We have had many offers that would have quickly doubled our sales," she says. "We now have a partnership proposal to introduce us to the huge California market. But we prefer to move cautiously, expanding our operational base in the Southeast. This policy has proved absolutely correct for us since the beginning."

Business has indeed been "very good," largely due to the firm's dedicated employees, Ms. Diaz Oliver emphasizes. She herself works an average of 60 hours a week in her business, and devotes many more hours to social and cultural activities on the local, state, and national levels. In 1968 she was the first woman to be given the Excellence Award by the President and the Secretary of Commerce for outstanding performance in expanding U.S. exports, and in 1984 she was named Outstanding Woman of the Year by the American Red Cross.

Carlos E. Hurches

Scion Steel, Inc.

Warren, Michigan

By Rick Mendosa

Some CEOs are hard to reach. Protected by a formidable phalanx of aides and secretaries, they sit alone in their plush offices, isolated and immune to the distractions of the outside world. That, however, is far from the style of Carlos E. Hurches, CEO of Scion Steel, Inc., in Warren, Michigan, a suburb of Detroit.

Mr. Hurches would like to sell you steel so much that if you want to buy, you can call him direct at an 800 number. In fact when we called him on that line, he was so accessible that we were put right through to him without the usual questions about who we were and why we were bothering him.

Mr. Hurches knows that sales is a numbers game: perhaps 10 presentations will equal one sale. He makes lots of presentations. Even though Mr. Hurches now heads his own company, he likes to sell, and he personally handles about a dozen of Scion's most loyal customers. Mr. Hurches owns 51 percent of the company, and his partner Richard Costantini owns the rest. They both spend the bulk of their time in sales, along with three outside salespeople. The company, which ranked 185 in the 1989 HISPANIC BUSINESS 500 and did $13 million in sales last year, has a total of 24 employees.

Scion buys steel from mills around the country and distributes it from a 16,000 square foot warehouse. Mr. Hurches learned his business in the best possible way—during eight years as a salesman for one of the steel mills that he now buys from. He went to work for the Northwestern Steel and Wire Company near Chicago just after graduating from Northern Illinois University with a degree in business administration. "Northwestern Steel gave me a hell of an education," he emphasizes. That job included calling on distributors throughout the state of Michigan and in parts of Ohio and Indiana.

The job may have given him a fine education, but being away from home three nights a week was tough on family life. When the first of his three children was born, Mr. Hurches was stranded in northern Michigan. "I got tired of hotel rooms," he recalls ruefully.

The problem with starting his own business was money. Mr. Hurches raised $15,000 by taking out a second mortgage on his house, and his partner put up a matching amount. But that was all they could scrape together. Fortunately, in 1984 when they started, the steel business was going strong. "We were pretty dumb," he reflects. "If somebody said he was going to try it with $30,000 now, I'd tell him, 'You're nuts!'"

The only reason they had been able to begin with so little capital was that they started as brokers. In other words, first they sold the steel, then they bought it. But what really helped was all those years on the road getting to know the customers. Because of that, Mr. Hurches knew who would pay their bills promptly. Even now, he says Scion Steel has written off a total of less than $2,000.

Although Scion is in the Detroit area, Chrysler is their only direct automotive customer. Most of their inventory goes into construction. Scion is a subcontractor for General Motors' new Saturn plant in Spring Hill, Tennessee. The company's inventory currently exceeds $3 million, consisting of steel in thousands of shapes and sizes. A lot of it is wide-flange beams, which are huge support columns in lengths of up to 50 feet. "And then you get those little bars that look like spaghetti," Mr. Hurches explains.

Carlos Hurches of Scion Steel is every bit as serious as he looks standing here in front of one of the company trucks, according to those who know him.

Detroit has a smaller Hispanic population than the Chicago area, where Mr. Hurches's parents settled after leaving El Salvador half a century ago. One of his few activities not directly connected with work or family is his membership in the Hispanic Business Alliance (HBA), which includes the owners of about 50 businesses in the Detroit area. According to his banker, Eric Fornasiero, "He is serious and driven and concerned about his business—but he's not somber or heavy."

Even though Detroit is a long way from Chicago, Mr. Hurches retains strong ties in that city and within Northwestern Steel and Wire. His father, Guillermo, retired from Northwestern four years ago after nearly 40 years as a pipe fitter, and his uncle, Robert Gomez, still works in the furnace department. The beams in GM's Saturn plant come from Northwestern. Even the name of his company reflects his ties. One meaning of scion is "a detached living portion of a plant." The plant is Northwestern, and Scion Steel is living quite well these days.

Robert Ontiveros

Bi-State Packaging, Inc.

Milan, Illinois

By Maura J. Mackowski

Growing a healthy business is a lot like cultivating that proverbial oak from that tiny, tiny acorn. Robert Ontiveros understands the value of solid roots, careful tending, and strong growth. He relied on all three to develop Bi-State Packaging, Inc., of Milan, Illinois into a thriving $9 million-plus bulk packaging distributorship.

Mr. Ontiveros put down the right financial roots when his attorney and high school friend introduced him to the banker he still works with today. His first key accounts were two Midwest enterprises he had called on in his six years selling for another packaging firm—the John Deere and Caterpillar corporations. Both large farm implement manufacturers fit well with his plan to target *Fortune* 500 companies that were willing to work with minority enterprises.They also were ideal for a supplier whose target market radius was 100 miles from home base.

Anyone who recalls what befell the farm implement industry in the early 1980s can guess what happened next. "I was just beginning to grow a little bit and get over those first few years of start-up, and the farm equipment industry went into the tank," Mr. Ontiveros remembers. "In 1981 I was doing a million dollars with Caterpillar, and they closed two factories that I was doing business with. My sales went from a million one year to $200,000 the next."

His decision to reach beyond the original 100-mile marketing radius kept Bi-State Packaging in the black. By cultivating contacts at three or four trade shows per year, Mr. Ontiveros got in touch with the people he needed to build his business to just under $10 million dollars in 1989. "I've found making contacts at the U.S. Hispanic Chamber of Commerce convention to be extremely effective," he suggests. "The very first one I went to, I was able to secure business with Adolph Coors in Denver. Last year we did over a million dollars with them. I went to the Chamber meeting in Washington in 1988 and was able to meet Eastman Kodak. Last year we did about $700,000 to $800,000 in sales with Kodak. This past year through the Chicago Purchasing Council I was able to do some business with Alcoa, and with General Foods and Kraft locations I hadn't served before."

Despite the pruning his farm implement business underwent, Mr. Ontiveros maintained his relationships with John Deere and Caterpillar. According to Linda Hook, senior buyer for the John Deere Parts Distribution Center, several factors gave Bi-State the edge over its packaging competitors.

"Every time I would get several different items out for bid at the same time," she explains, "I could see there were savings to be gained by having [Bi-State] control more than one product. They have their own trucks and do a lot of our warehousing, and they make a lot of deliveries for us so we can keep our inventory levels low. Every quarter they send me a computer printout that tells me, by commodity, how much they sent to whom. That's a wonderful tool for me to use as a buyer."

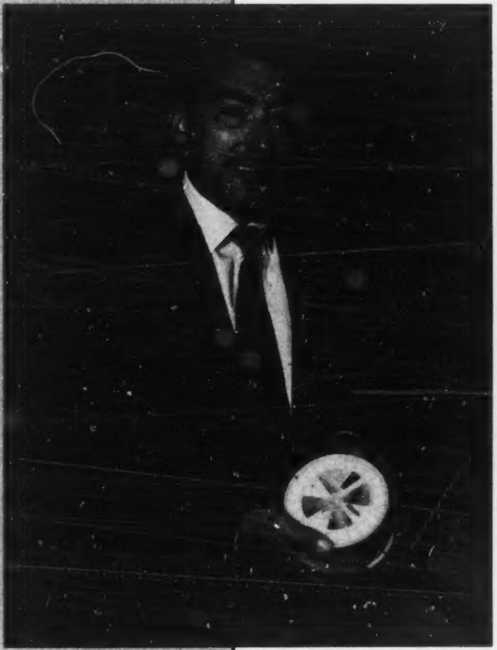
Mr. Ontiveros's long standing relationships with his early customers also paid back dividends in the form of R & O Specialties, Inc., a spinoff that now employs almost twice as many workers as Bi-State. R & O began by repairing damaged parts for the John Deere and Caterpillar companies, and now essentially performs the final steps in the parts manufacturing process—sandblasting and painting—as well as packaging and shipping. The new company, which is run by Mr. Ontiveros's uncle, is doing very well, with 65 employees and about $2 million in sales.

Yet a third branch does contract consumer packaging for the Philip Morris, General Foods, and Eastman Kodak companies.

In the 1990s, Mr. Ontiveros sees his industry facing the challenge of producing environmentally friendly packaging. Sales of products that degrade in landfills, require less energy to produce, and create less air and water pollution will allow Bi-State Packaging to continue its growth and even improve its bottom line, he believes. "I don't think the amount of packaging sold will be less, I think it will be in different forms. In fact, since some of the plastic packaging items have become commodities our profit margins on them are very low. So maybe with this new emphasis on the environment we'll actually be able to increase our profits.

"We're trying hard to stay ahead of technology to be a low cost producer," he adds. "We're investing in a new computer system so we can do business with those big *Fortune* 500 companies. It's not a charity; they'll do business with us if we're competitive. If we cease to be competitive, they'll go somewhere else. We realize that and we don't give a half-hearted approach, we go for it.

"That's been a characteristic of my whole life. That's how you get ahead."



Robert Ontiveros has built a flourishing distributorship by nourishing long-term personal relationships with his lawyer, his banker, and people in the corporations he first served as a salesman for another firm.

Armando C. Chapelli, Jr.

Washington Consulting Group

Washington, D.C.

By Rick Mendosa

Armando Chapelli got fed up. His company, Washington Consulting Group (WSG), had gone through six or seven banks in 11 years. It was ridiculous, he thought, that a company with an excellent credit record, consistently operating in the black, couldn't maintain good banking relationships. WSG needed up-front capital for its ever bigger contracts, but bankers, unfamiliar with his business, often balked at advancing funds.

"So I started a bank," Mr. Chapelli told **Hispanic Business**. "I got tired of that b.s. Last year I went to the people putting together the George Washington National Bank in Alexandria, Virginia, and WSG became an organizer, founder, and shareholder."

While Mr. Chapelli owns only 2 percent of the bank and his company another 3 percent, it's the principle that counts. That, and the leverage his new position gives him with other lending institutions. "It's a security blanket in case my current banker doesn't want me to grow," he says.

Growth capital has been Mr. Chapelli's number one problem from the beginning. When he decided to market his ability to solve high-tech problems for the government back in 1979, he had to wait eight months for the first job. By then his money was gone. He had started WSG with no savings, quitting his job with another consultant one day and starting his own business the next. All he had was $3,000 borrowed from his mother, an office in his girlfriend's car, and unemployment compensation from the government. "I know it sounds corny," he says, "but I was down to my last dollar, and thought I'd have to close the next day."

That day he got his first purchase order. The Department of Transportation asked him to write a guide for public transit authorities to sensitize them to the special needs of people with disabilities.

The job paid $10,000. But he needed a bank willing to convert the purchase order into ready cash.

At first, it worked. He assigned the receivables, and they lent him 80 percent. But when he went back a few months later with a bigger contract, they weren't interested. He found another bank that was. "And then we started seriously growing and needed more credit. When we went back, they told me, 'You can't grow any more. We won't let you.'" What? "Believe me," he says, "that's exactly what bankers think. They're used to hard assets that they can sink their teeth into. When you offer paper, they don't understand it."

Eventually he found financing at yet another bank. But he realized he had to become as independent of bankers as he had of bosses.

Because Mr. Chapelli got fed up with bosses first. "I never found a company that had human, reasonable, and professional policies," the soft-spoken CEO explains. He was uncomfortable with the environment in most of the places he worked and was determined to make his business pleasant for everyone.

He didn't, though. "It had been such a Darwinian, dog-eat-dog start that I felt that I shouldn't have to babysit people," he recalls. So he told them, "Here's your job—good pay, good conditions, good benefits. Go do it, and don't bother me and I won't bother you." It was a formula for disaster. What people need, he discovered, is employers who care. "Discovering that made me a better person." It also made him a much happier one, he says, because as a result he truly enjoys working with his colleagues.

With 270 colleagues in his company now, Mr. Chapelli has lots to be happy about. Importantly, he meticulously keeps promises to those employees, says Glen Whitwer of Quinn, Whitwer & Company in Bethesda, Maryland. "He's a man of his word," Mr. Whitwer states. "In the business world of the Washington-Baltimore area, he's rare in that level of integrity. That accounts in large measure for his success."

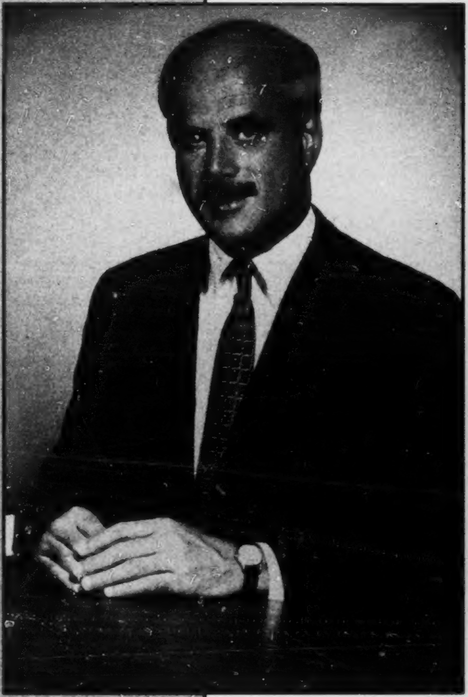
Mr. Whitwer once worked with Mr. Chapelli and now consults to small businesses, including WSG.

Mr. Chapelli describes himself as a self-confident person, motivated by an aversion to fear. As a boy growing up in a dangerous Cuba, he became fed up with fear. "I didn't want to be scared any more," he says. He arrived here in November 1960—after scaring his parents. One night he told his mother that he had just bombed the Hilton Hotel. "She still thinks I did it," he laughs. The family got their visas the next day.

Mr. Chapelli isn't content merely to manage his business. He's determined to see it grow past $30 million per year, where it will no longer be so vulnerable to increasingly serious competition. Contracts are now $19 million a year, and WSG ranks 114 in the **Hispanic Business** 500.

It's far from start-up, but Mr. Chapelli says his company remains entrepreneurial and that he never stops behaving as an entrepreneur. "If I did, I'd go out of business," he insists.

And he'd probably be fed up, too.



When Armando Chapelli, the CEO of Washington Consulting Group, gets fed up, he makes sure things change.

Mitchell A. Meana

SOS Office Systems, Inc.

Pinellas Park, Florida

By Sandra G. del Villar

Mitchell A. Meana tells his employees when their work stinks. He says overlooking errors can kill a business, and reminds workers of that by passing a dead skunk to the worst sales branch every month.

"In sales meetings you tend to praise the good and ignore the bad," says Mr. Meana, president and chief executive officer of SOS Office Systems, Inc., of Pinellas Park, Florida, which sells office computers and copier machines.

The stuffed skunk is presented to the sales manager of the worst branch and must sit in that office for a month. It forces them to "own up to being the worst," laughs Mr. Meana, whose business should reap revenues of $15 million this year, up from $12 million in 1989, when it ranked number 187 in the Hispanic Business 500 listing.

"The skunk is the pits," groans Sarasota branch sales manager Pete Brister, who had the skunk in January. "I never want to see it again. Never." Mr. Meana says his tactics may be blunt, but prove inspirational to his 150-member staff. "It's a great motivator. We've never had anybody get it two months in a row."

He gives his father, Al Meana, credit for his curt management style. The elder Meana founded and still owns SOS, which has a string of seven branches extending south from Atlanta to Naples, Florida. While Mitchell has been holding the company's reins as CEO for two years now, the father's hard driven entrepreneurial spirit still dominates the business.

"He's a unique person," son Mitchell Meana concludes. "He's a dreamer. But he has a realistic enough view of the world to know what has to be done to make his dreams come true." Those dreams started materializing for the elder Meana only in 1972, when with a family of six and after a 21-year career in the Army he scraped together $900 to found SOS.

Both father and son talk of how conforming to the customer's needs is the key to success. "The one thing I learned, primarily from my father," SOS's CEO emphasizes, "was that whatever the client needed was what the client got."

For example, when one employee concluded it was impossible to build a copier customized to a particular client's needs, Mitchell Meana—then the general manager—went out and bought $94 worth of parts. He fiddled with the machine until morning, and by office hours had it working.

"We're saying if you don't get out and do the work, if you don't set yourself apart from the other people, how can you expect to be any more than what you are?" Mitchell Meana asks emphatically. That's where the skunk comes in, he explains. It forces employees to do the research needed to find out what will please their customers. In fact, he says, his sales managers should feel lucky. His first idea was to give them a live pig.

Another key to SOS's success is reinvestment. Speaking from his waterfront mansion on Shell Island near Tampa Bay, millionaire Al Meana recalls the business's early years, when he paid himself the same as his staff—$100 a week. In those days he funneled most earnings back into the business to buy higher quality copier machines, rather than increasing his own salary. He believes many entrepreneurs fail because they pay themselves too much and forget about paying the business. "First they pay themselves, and if there's anything left over for the business, fine."

In fact much of the company's growth came from reinvestment. Their strategy for expansion was to buy their competitors—sick companies they believed could be revived.

Mitchell Meana (right) and his father, company founder Al Meana, believe success depends on working continually to find out what customers want. Their sales incentive system is highly unconventional, but effective.

All in all SOS has bought part or all of seven companies in Florida and Georgia. Mitchell Meana says many of these were failing due to management deficiencies. For instance, when the company bought Accusystems of Georgia, Inc., in 1986 they paid $200,000 cash and assumed $200,000 in liabilities. Today approximately 50 percent of SOS's sales—or $6 million—are directly attributable to the acquisitions. And another benefit, Mr. Meana chuckles, is that buying your competitors does "get them off the street."

The Meanas are still investing for growth. Just last year the company established SOS Electronics, Inc., a discount electronics warehouse in St. Petersburg, Florida run by brother Greg Meana. Their initial investment in this subsidiary—about $425,000—pared the parent company's healthy profit growth to 1.5 percent for the year. And now?

The streetwise dreamer who founded SOS says the office supply companies of Orlando, Forida should beware: they're his next targets.

Tony Guedes

Intercontinental Metals

Miami, Florida

By Dory Owens

As firms across the nation march overseas, driven by the globalization of business and events such as the unification of the European market in 1992 and the fall of the Iron Curtain, Tony Guedes is plotting *his* next advances at home.

Mr. Guedes's Intercontinental Metals has been selling metal products such as aluminum sheets and bars to some of the biggest names in the worldwide aerospace and defense industries from its Miami warehouses since 1978. This CEO began by identifying a profitable service niche—customers who needed hard-to-find items and didn't have time to search for them. And he began by building on the contacts he had developed earlier selling metal products for other companies in Latin America and the Caribbean. Rather than investing in inventory at first, he began by acting as a broker, buying metal products from mills as companies placed orders, and reselling them.

Within two years, however, the company began selling in the United States, and saw its domestic sales increase to account for half of total revenues in 1989. Intercontinental Metals posted $2 million in profits on $21 million in sales last year, placing it 147 in the HISPANIC BUSINESS 500. Meanwhile, the focus of Intercontinental's foreign sales shifted to Western Europe, Israel, and the Far East. "That gives us a good balance because if domestic gets slow we can build overseas," Mr. Guedes reasons.

In addition to knowing a good niche when he saw it, Mr. Guedes says he was in the right place at the right time. The defense industry boomed during the Carter and Reagan administrations. And Florida has a major stake in that industry as one of the biggest defense states in the nation following California, Texas, New York, and Massachusetts. Defense spending tripled in Florida during the past decade, and Intercontinental's business with defense contractors and sub-contracts now represents 45 percent of its total sales.

The company's mode of operation soon changed too. It now buys metal from mills in the Midwest and on the West Coast and ships it to Miami by truck. Therein lies the problem—and the opportunity—that shaped Mr. Guedes's near-term priorities. The cost of transporting product from the Miami warehouses to customers in the Northeast, and the inroads his rivals operating near that region are making, have been pinching Intercontinental's profits.

"There is a lot of business that we don't get because of the freight factor," Mr. Guedes reflects. "Customers say, 'Why should I go all the way to Miami when I've got companies in my backyard?' Miami is good for exports to Latin America but it's a long way from the Northeast. And even with the businesses that we are currently serving there, we'll be able to improve our profits because we won't have the high freight costs any longer," he explains.

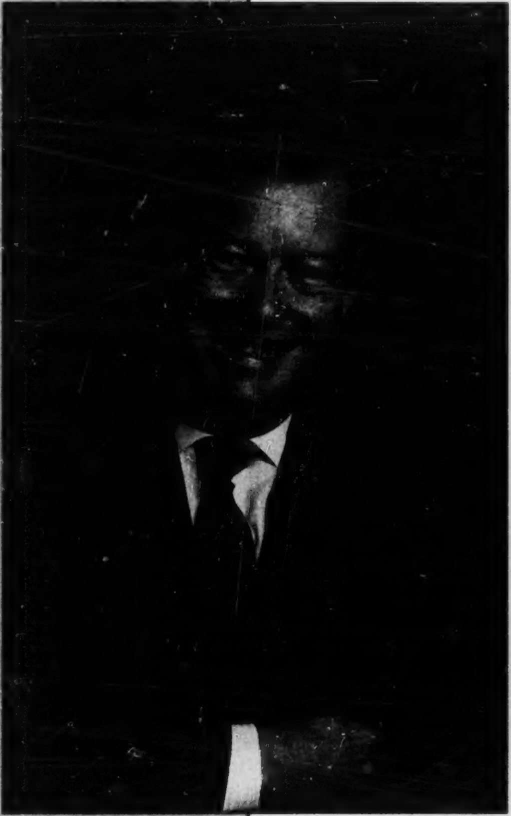
Although he has always liked to keep his eggs in several baskets, Mr. Guedes feels 1990 will be an especially good year to add a new basket. "The time is now, while we're doing well and can afford to explore a new market and absorb the losses," he says. Although the U.S. economy is sputtering following the longest peacetime expansion in history, and despite some economists' predictions that the country is headed for a recession, this CEO says, "I don't think a recession would affect our business that much because of the growth in commercial aviation."

And, of course, Mr. Guedes is not about to put too many eggs in a new basket either. He will start with a small satellite operation in the Northeast—a 4,000 to 5,000 square foot warehouse—and expand as business grows, he says. "If you go in with a big place to try to impress people and it doesn't work out, it doesn't look good. If you go up—from 4,000 to 10,000—the image is much better."

At the same time, he intends to build further on Intercontinental's base in Miami. His thriving local operation, which employs 35 workers, is literally bursting out of its 20,000 square feet of warehouses. He plans a move in May to a new 30,000 square foot facility, while increasing his staff by one-third. Finally, looking a couple of years down the road, Mr. Guedes wants to beef up his sales effort abroad.

Unlike the managers of many private companies, Intercontinental's CEO has no plans to go public. "Not a chance," he exclaims.

Back in 1978, the year Mr. Guedes founded the company, he claims his family had to push him to make the move from employee to entrepreneur. "I had a good salary and a car. It was a hell of a gamble," he recalls. But the struggle has taught him something. "When you go public there are too many people to answer to. We're small and we're flexible. I can do whatever I want with my life."



Tony Guedes's strategy for his defense and aerospace industry supply business is to stay geographically diversified and flexible.

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From left: Nelson Carlo, Miriam Santos, Mayor Richard Daley, Virginia Ojeda, Luis V. Gutierrez, and George Muñoz.

Inset photo by Phillip Walker.

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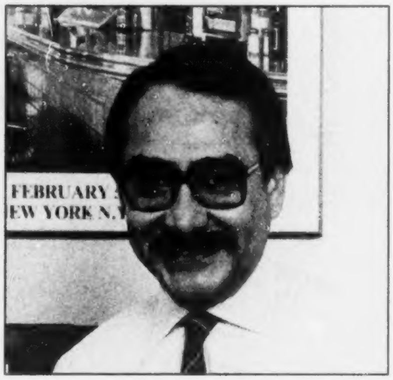

In Chicago, political action starts in the schools. This axiom began to apply to the city's Hispanic constituency a decade ago when three Hispanics became school board members. Their power increased quickly when they became a buffer between the black and Anglo communities. Soon Hispanics were winning political offices.

Now the schools themselves are becoming a hotbed of political turmoil. With speed comparable to that of recent changes in Eastern Europe, the Illinois legislature has decentralized the administration of Chicago's schools. Never before in our nation's history has such a large scale decentralization been attempted. In October local councils took over each of the city's 541 public schools. The more than 5,000 new council members, approximately 1,000 of whom are Hispanic, have already made their presence felt.

Each council consists of 10 locally elected members—six parents, two teachers, and two community representatives. The legislature gave the new councils authority to approve budgets, determine curriculum, and hire and fire principals. Unfortunately, the legislature provided little training for the council members, no selection criteria, and few if any guidelines on their rights and responsibilities.

In fact, at the 276 schools where the councils were to decide the fate of the principals this year, 50 principals, or 18 percent, have been fired so far. Most of these are non-Hispanic principals in Hispanic neighborhoods with councils controlled by Hispanic parents, although Hispanic controlled councils have also voted out nine of the 16 Hispanic principals who have been fired so far.

Not surprisingly a lot of people are less than delighted. Some say the councils went too far too fast. In fact, the inevitable backlash has begun. Protests and picket lines are the order of the day.

Just as in Eastern Europe, many of these new leaders in Chicago come to their roles in democratic government with little experience. While Hispanic parents *clearly* must drive for control of their children's education, only time will tell whether the new councils will be able to meet their challenge.

More broadly, Chicago's political and business scene is the major focus of this, our first issue devoted to the nation's third largest city.

In terms of business, Hispanics are making important contributions to the new Chicago. Almost 5,000 of its businesses are Hispanic owned. Of these, we profile two in this issue: Art Velasquez's Azteca Foods, and Ernest and Virginia Ojeda's McDonald's franchises.

As for the political scene, Steve Bergsman paints Chicago's Hispanic politics with a broad brush, while Patrice Raia details the rise of one promising leader, Alderman Luis Gutierrez.

Although many believe Chicago still epitomizes big city politics, and even though the mayor's name is again Richard Daley, the Windy City has entered a new era.

Mayor Richard M. Daley, who appears on the cover of this issue along with five of Chicago's Hispanic leaders, is of a different generation from his father, Richard J. Daley, who took control of the city's political machine in 1955. Mayor Daley has proven adept at dealing with the city's changing demographic base. The Hispanic presence in Chicago clearly appears to be on the rise.

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she had unfair advantages because union staff employees allegedly helped in her campaign and a union newsletter subtly endorsed her through generous use of photographs and placement of articles.

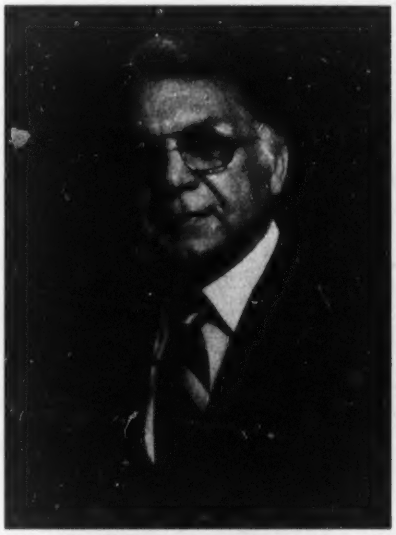
"I definitely feel her election is a step toward Latina representation, and that's important because minority women are the least represented group in labor's leadership levels," says Mr. Rodriguez, a part-time bartender. "However, her election comes tainted. The international pretty much designed the whole election process in her favor."

Ms. Durazo dismisses such charges as "sour grapes" and distant history. However, she did raise some eyebrows when she married Mr. Contreras, the international union's representative. Ms. Durazo says she should be judged not by her choice of husbands but by her performance as president of Local 11. "We both share a lot of the same beliefs," adds Mr. Contreras. "We see our union work as a cause—not a job."

Since the election, Ms. Durazo has been busy crystallizing both her own management style and her union's strategies and goals. Her key priority now is to strengthen the union's organizing efforts. But first she must organize her own staff. Owing to years of organizational dormancy within the union she must pursue this new thrust almost from the ground up. Her first administrative decisions centered on hiring a director who will organize rank-and-file leaders to recruit outside the union.

The second step has been to expand the union's research department, which now has two full-time staffers and relies on the international union's researchers. "With organizational and research departments in place, we'll basically then put together our best plans and strategies for the future," Ms. Durazo explains.

In addition, she intends to make sure that employers honor new language regarding seniority rights in the most recent contract (December, 1988). This language, Ms. Durazo says, is a major step to support promotions and broadening experiences for those who have paid their dues with long-standing jobs. "In other words," she adds, "the employers have to provide an opportunity to all the existing employees first—by posting openings, allowing bidding, and providing a 60-day trial period. That's important because we need more Latinos in higher positions."



When Maria Elena Durazo has an idea, she always sticks to it, says Albert Hernandez, a labor union leader in Los Angeles.

Ms. Durazo's other top priorities are to improve training programs for the membership in an effort to upgrade their work, and to forge more alliances with other unions and community groups.

Ms. Durazo is acutely aware of her unique position as a woman and Hispanic in a "white-male dominated industry." "There isn't one single female general manager of a major hotel in this region," she says. Still, she doesn't find this a distraction or major obstacle. "It's simply not an open issue that people come out and talk about. I certainly don't make an issue out of it. That's just not the point. When a decision has to be made they know I'm the person that they have to talk to. They might try to get around it sometimes, but eventually they have to convince me. I think as long as they understand that, things will be OK." Ⓗ

The Trend in Hispanic Union Membership has Been Negative

While the number of Hispanics employed in the United States continued to rise last year, the percentage of Hispanics who are union members is edging downward, according to figures just released by the U.S. Bureau of Labor Statistics. Similar downward trends are apparent in the percentages of Anglos and blacks who are union members.

Year:	**1987**		**1989**	
Employment group*	**Employed (000's)**	**% in union**	**Employed (000's)**	**% in union**
HISPANICS	7,215	17.1	7,894	15.2
Women	2,900	12.9	3,184	12.6
Men	4,315	19.9	4,710	16.8
WHITES	85,525	16.3	88,622	15.7
Women	39,446	11.6	41,212	11.5
Men	46,079	20.4	47,410	19.3
BLACKS	10,838	22.6	11,470	22.2
Women	5,509	19.3	5,873	19.8
Men	5,329	25.9	5,597	24.8

**Adults 16 years of age and over.*

(Source: Data issued by the U.S. Bureau of Labor Statistics in January, 1990.)

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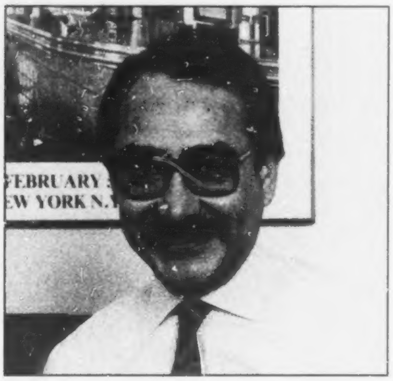

The annual **Hispanic Business** 500 directory, which comprises the bulk of this issue, has long been viewed as the basic barometer of corporate Hispanic America. And from results we gathered this year it is very clear to me that the state of corporate Hispanic America is fundamentally sound.

Nevertheless, many of the companies on the **Hispanic Business** 500 are feeling the impact of the current economic slowdown. The indications of this trend are many. Several companies have gone under, including some sizeable ones such as Komfort Industries, which ranked number 25 just last year. Growth is basically stagnant nationwide, and in the two leading states of California and Florida it is actually down. Furthermore there is a worrisome aspect to the **Hispanic Business** 500 this year in that sales per employee, which is of course a prime measure of productivity, is down.

Among all these disappointing signs, some positive factors stand out. Our Hispanic companies are not niched into one particular industrial ghetto. Rather, we are operating in all the major sectors of the U.S. economy. This diversity is perhaps the most important strength of the Hispanic market as a whole. Further, despite the overall slowdown, many companies owned by Hispanics continue to increase their revenues, some at impressive rates.

Valuable as I believe the **Hispanic Business** 500 is as a measure of U.S. Hispanic performance, I am deeply concerned that so few other measurements of this economic arena exist. Aside from our annual directory and several key U.S. Census income indicators, I see very few yardsticks.

As a result of this dearth of information, false indicators of the status of Hispanic economics sometimes receive much more attention than is properly their due.

A case in point is the recent uproar over Hallmark Cards' ultimately successful refinancing of bonds for its Univision television network. Had Univision gone under, as some elements of the press were speculating, its fall would have been perceived as a major failing—a fundamental weakness—in the U.S. Hispanic market. Nothing could be farther from the truth. In this case, most definitely, the perception was not reality.

The advertising industry trade magazine *Advertising Age* was one of those quick to generalize a Hispanic problem from Unvision's restructuring. Quoting "industry observers," the magazine said Univision's action "could send a negative message about the Hispanic media's viability."

The economy as a *whole* is not doing well. All of us are obviously rowing in the same boat, and television is no exception. Therefore, to conclude that Univision's refinancing portended a more general malaise among Hispanic media is journalism of the less-than-responsible variety.

The financial status of Univision's capital structure is a function of several factors, including how the initial purchase was originally financed, the state of our country's financial markets and the depression of the junk bond market, and ultimately how the company itself is being managed. These factors have little to do with the fact that Hispanic income continues to rise, that the Hispanic population continues to grow, and that the economic well-being of the Hispanic base continues to strengthen.

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THE 500

1990 DIRECTORY OF THE NATION'S LARGEST HISPANIC OWNED CORPORATIONS

California leads in number of companies, Florida in sales, but revenues are flat nationwide.

California regained its standing this year as the state with the most firms in our listing of America's 500 biggest Hispanic-owned companies. Last year Florida edged California out for the first time ever, 121 to 116. This year 131 California-based companies placed in the 500, and 112 Florida companies.

However, the Florida firms in our listing had the greatest total revenues—$2.5 billion, versus $1.6 billion for California. This difference is partly due to the magnitude of Miami's Bacardi Imports and Capital Bancorp (one of Florida's largest banks), and to the absence from this year's list of several large California firms that have been included in previous **Hispanic Business** 500 directories (the Vanir Group, Coast Citrus Distributors, Komfort Industries, and Schafer Brothers). When last listed, these four companies accounted for more than $300 million in annual revenues.

The bad news is that as we enter the 1990s Hispanic entrepreneurs around the country are feeling the impact of the ongoing economic slowdown. Average company sales performance was flat during 1989 (up 0.6 percent), and in fact sank in the two leading states—by $1.2 million in California and $1.1 million in Florida. This is a radical change from the expansive mid-1980s, when average sales for the **Hispanic Business** 500 increased by

TOP 10 Companies In Sales

1989 Rank	Company	Type of Business	1989 Sales ($M)
1	Bacardi Imports	Import /Dist. Rum/Wine	500.00
2	Goya Foods, Inc.	Hispanic Food Mfg./Mktg.	320.00
3	Sedano's Supermarkets	Supermarket Chain	198.24
4	Handy Andy Supermarkets	Supermarket Chain	155.74
5	Galeana Van Dyke Dodge	Auto Dealerships	141.93
6	Pizza Management, Inc.	Restaurant Chain	134.50
7	Frank Parra Chevrolet, Inc.	Auto Dealerships	125.75
8	Ancira Enterprises, Inc.	Auto Dealerships	117.65
9	Int'l Bancshares Corp.	Commercial Bank	114.88
10	Capital Bancorp	Commercial Bank	110.28

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TOP 10 Companies by Employees

1989 Rank	Company	Type of Business	# Employees
1	Pizza Management, Inc.	Restaurant Chain	4,500
2	El Chico Corp.	Restaurant Chain	3,800
3	Handy Andy Supermarkets	Supermarket Chain	1,892
4	The Vincam Group	Diversified Group	1,850
5	Goya Foods, Inc.	Hispanic Food Mfg./Mktg.	1,500
6	Sedano's Supermarkets	Supermarket Chain	1,360
7	Cantu Services, Inc.	Food Services	1,150
8	Oscar Ortega Ranches	Table Grape Grower	1,000
9	Gator Industries, Inc.	Shoe Mfg.	985
10	Ninfa's Inc.	Restaurant Chain	850

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almost 14 percent between 1985 and 1986.

Reflecting the new stagnancy, total sales for the 500 edged up only slightly, from $8.30 billion in 1988 to $8.35 billion in 1989. (In 1986 the total was almost $10 billion.) And the revenue of the smallest company included in the 500—our cutoff point—is actually lower this year, down from $2.70 million two years ago to $2.13 million.

Since total employment was up for the 500, from 64,882 to 67,618, the new pattern of flat sales created something no company wants: productivity declines. Average sales per employee dropped from $128,008 to $123,785 during 1989, which is a dramatic $9,000 per employee less than in 1985. Even among the historically faster growing top 100 companies, we found that only 64 reported sales gains this year, versus 79 last year—an important decline of 15 percent.

The company with the biggest sales gain in 1989 was J.C.I. Environmental Services in Los Angeles. J.C.I. boosted its sales dollars by 113 percent between 1988 and 1989.

Julian Carrasco, the president of J.C.I., says that the fastest growing part of his business is the cleanup of contaminated areas. This now accounts for 60 percent of his revenues. Trucking of hazardous wastes, the mainstay of the business from the time it started in 1972, is the rest. "We've been working with the environment for years," Mr. Carrasco explains, "and now we are finally in just the right place at exactly the right time."

TOP 10 Companies in Sales Per Employee

1989 Rank	Company	Type of Business	Sales Per Emp. ($M)
1	Mexalloy Int'l, Inc.	Ferroalloys Dist.	$10.11
2	Banana Services, Inc.	Banana Importing	5.47
3	XCL Financial Services	Investments/Insurance	5.00
4	Pride General Contractors	General Contracting	4.99
5	Andes Chemical, Inc.	Chemical Distributing	4.40
6	Malaco Int'l, Inc.	Petroleum Prod./Chem.	3.71
7	Interamerican Trading	Seafood Importing	3.50
8	High Coffee Corp.	Coffee Importing	3.14
9	Balli/Gomez & Associates	Architectural Services	2.64
10	Beagle Products, Inc.	Seafood Importing	2.55

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Gilram Supply, Inc. upped its ranking on the list most, moving from 453 to 302 based on an increase in sales from $2.9 million to $5.5 million in 1989. Gilram Supply is an export firm. Sigrid Terc, who is of Argentine descent, is president of this Houston-based international distributor of name brand electronics. She says her company's response to the economic slowdown has been geographic expansion. "Because Mexico [Gilram's first major market focus] is inundated with distributors," she says, they have expanded into Latin America.

One of the biggest losers was Komfort Industries, Inc., a Riverside, California travel trailer manufacturer that ranked 25 with sales of $60 million on last year's list. We've been unable to reach anyone at Komfort Industries, which has apparently closed its offices.

Another big loser is Generalbank FSB, a Coral Gables, Florida savings and loan institution that was number 34 last year. Generalbank has been taken over by the federal government—a fate it shared with

TOP 20 Companies in 1988-1989 Growth

1990 Rank	1989 Rank	Company	1989 Sales ($M)	1988 Sales ($M)	Percent Increase
124	257	JCI Environmental Services	14.70	6.90	113.04
355	498	TAG Electric Co.	4.50	2.18	106.42
342	488	Modern Sanitation Systems, Inc.	4.70	2.34	100.85
194	327	Hugo's Cleaning Service, Inc.	10.00	5.00	99.97
190	315	Cumbre, Inc.	10.00	5.20	92.31
273	415	L&M Technologies, Inc.	6.50	3.40	91.18
302	453	G[illegible]ram Supply, Inc.	5.50	2.90	89.66
201	321	Ferrous Metal Processing, Inc.	9.60	5.10	88.24
241	368	Campos Construction Co.	7.50	4.10	82.93
215	333	Scientech, Inc.	9.00	5.00	80.00
184	397	Beagle Products, Inc.	10.20	5.80	75.86
62	115	Stadium Lincoln-Mercury	29.00	16.50	75.76
316	451	Apache Construction Co., Inc.	5.18	2.95	75.46
167	283	Oscar Ortega Ranches	11.25	6.56	71.57
41	67	Refricenter of Miami, Inc.	45.28	26.75	69.27
191	287	La Flor Produce Co.	10.00	6.00	66.67
305	447	Tamez-Thomas	5.00	3.00	66.67
222	313	G. Valdes Enterprises, Inc.	8.60	5.20	65.38
18	35	Mexalloy Int'l, Inc.	80.94	4.90	65.28
349	458	Upsilon Corp.	$4.52	$2.80	61.57

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many other S&Ls including the Miami Savings Bank, which ranked 122 last year. And a third top performer in earlier years, the retail appliance firm of Kaufman & Roberts in Miami, dropped off the list last year after posting revenues of $123 million for 1987.

Of course, every year a certain percentage of the 500 companies drop off the listing and are replaced by others—many new to the directory. In fact 121 of the companies listed last year have dropped off, and 135 had dropped off the previous year's list. Some of these firms simply declined to be included in the 1990 **Hispanic Business** 500 without clearly stating a reason, although we have hints that in many cases the issue was a reduction in sales.

Manuel Lasaga, senior economist for Miami's Southeast Bank, says that in South Florida, "We are seeing a slowdown, but less than in other parts of the country that are heavily involved in manufacturing." He says that South Florida's economy has weakened this year, especially in the services sector—which represents the bulk of the area's economic activity—but also in retail sales and transportation.

Companies by State

1.	CA	131
2.	FL	112
3.	TX	[illegible]
4.	NY	31
5.	NM	19
6.	IL	17
7.	NJ	16
8.	AZ	10
9.	CO	9
10.	MI&VA	8

"It feels like we're in a recession," says Sara Baer-Sinnott, special projects editor of *Inc.* magazine. This researcher directed a survey of nearly 3,800 fast growing companies in April to assess their prognosis for the U.S. economy. About half of the companies surveyed said they expected either a national or regional recession within the next two years, and Ms. Baer-Sinnott believes that these managers are probably more optimistic than those in the country's more typical, slower growing companies, which have been hurt harder.

The *Fortune* 500 industrial companies did better than the **Hispanic Business** 500, increasing overall revenues by 7.0 percent, versus 0.6 percent for the Hispanic companies. Still, growth was more limited this year even among the *Fortune* 500, whose total profits fell 8.2 percent in 1989, by comparison with a record-breaking 27 percent increase in 1988. As *Fortune's* editors commented, "For most industries it was at best a mediocre year...things have gotten rough out there."

The slowdown we found in Hispanic business performance for 1989 is not surprising to J. Antonio Villamil, the U.S. Commerce Department's chief economist. To him it is a sign of a broader slowdown

in economic activity due to "the Federal Reserve's policy of decreasing inflationary pressures." As a result of that policy, he says, the U.S. economy grew at half the rate of 1988, which was a relatively strong year. In 1988 the gross national product, when adjusted for inflation, grew at close to 4 percent, Mr. Villamil says. In 1989, if we exclude statistical adjustments that the Bureau of Economic Analysis made due to a return to normal agricultural production after the 1988 drought, the domestic economy grew at a rate of 2.0 percent. Mr. Villamil expects the economy to continue to grow at a 2.0 to 2.5 percent rate this year, and then improve. "We expect a pickup in 1991 as inflationary pressures decrease," he concludes.

If the cause of the economic slowdown is higher inflation, the cause of the inflation is the huge federal deficit, declares Joseph R. Coyne, a spokesperson for the Federal Reserve Board. "We are part of a global economy and have to attract money from abroad (at higher interest rates) to finance the deficit," Mr. Coyne maintains. He says the Fed has repeatedly argued that the way to bring down interest rates is to reduce the deficit.

The biggest Hispanic-owned firm is still Bacardi Imports, Inc. of Miami. But Bacardi's sales, like those of the typical Hispanic company, were flat last year at $500 million. Although no other Hispanic firm comes close to Bacardi, Goya Foods is number two and trying harder. This New Jersey based food manufacturer did manage above average growth, pumping sales up by 7 percent, from $300 million to $320 million.

Two Texas-based restaurant chains—

Apples and Oranges?

Some say that equating the revenues of industrial and service firms is like comparing apples and oranges. *Fortune* doesn't even try. That's why there are two separate *Fortune* 500 rankings for the two major categories of companies.

The problem is in the way some kinds of service companies measure their size. For example, real estate firms report the total value of the real estate they brokered during the year (rather than their own commissions). Likewise, advertising agencies report the value of the media time and space they bought for their clients ("billings"), not the commission income they derive from placing the advertising. And financial institutions report their total assets.

Yet there *is* a standard measure of revenues that puts all companies on the same footing—one that we emphasized this year more than ever in ranking the HISPANIC BUSINESS 500 companies. That measure is line 1(c) of the U.S. Income Tax Return for a Corporation: "gross receipts or sales (less returns and allowances)."

Our decision to use one measure of revenue across-the-board resulted in much lower revenue figures than last year for all the real estate brokerage firms, ad agencies, and financial institutions. (For example, our figures for real estate brokers now reflect not 100 percent of the closing price of houses sold but rather the broker's actual commission.)

Importantly, this change does *not* reflect a real decrease in revenues for the service companies. Many of them did as well or better in 1989 than in 1988. But it does leave fewer real estate brokerage firms, ad agencies, and banks on the HISPANIC BUSINESS 500 list this year. Only one of the nine real estate brokers on last year's list made the cut in 1990. Similarly, only five of the 11 advertising agencies included last year qualified for this year's listing. One of these, Castor GS&B, declined to be included. And one media rep—Caballero Spanish Media—does not appear because we were unable to agree on the correct revenue amount to be reported.

We believe this 500 listing provides a more accurate picture of the top U.S. Hispanic firms, and despite the one-time discontinuity involved, most CEOs we've talked with agree that our new methodology is fair and proper.

Further, while HISPANIC BUSINESS had to revise the sales data of some companies to conform with these new standards, in every case we informed management that we would be making such a change.

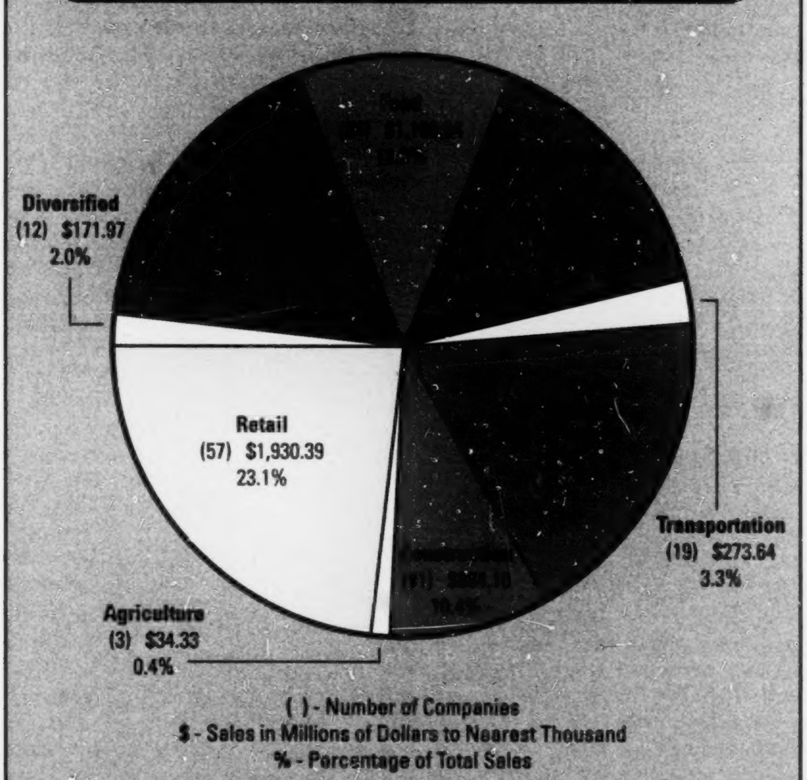
Pizza Management, Inc. of San Antonio and El Chico Corp. of Dallas—remain the top employers this year for the third year in a row. Pizza Management employs 4,500, while 3,800 work for El Chico. Handy Andy Supermarkets of San Antonio also held its number three place for a third straight year with 1,892 workers.

Miami's diversified Vincam Group, new to the list this year, placed a close fourth with 1,850 employees in its personnel management, clinical, and seafood wholesaling businesses. "Call it a miniconglomerate," says CEO Carlos Saladrigas. The fastest growing part of his business involves leasing employees to small companies. "We take all their employees," he says, "and put them on our payroll. That way we gain the kind of scale that allows us to provide the employees with benefits our clients can't afford to offer. These include health benefits, Section 125 cafeteria plans [which offer a selection, or 'menu,' of benefits], Section 401(k) retirement plans, and so on."

Year Founded

Decade	# Companies
Before 1960	50
1960s	81
1970s	200
1980s	169

HISPANIC BUSINESS 500 By Industry



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In sales per employee, Mexalloy International, Inc. of Mobile, Alabama led the list for the second year with an astounding $10,117,469. How's that for productivity! Mexalloy is a distributor of alloys used in the manufacture of steel. Its owner and CEO, Enrique Gomez Palacio, also has the distinction of heading more companies on the HISPANIC BUSINESS 500 than anybody else. His other 500 firms are Agromex and Alamex.

As in past years, the 500 are concentrated largely in the wholesale, retail, and service sectors of the economy. These three sectors accounted for 56.8 percent of total 500 sales in 1989, down slightly from 59.3 percent in 1988. The food and beverage sector accounted for 13.2 percent, construction 10.4 percent, and manufacturing 8.8 percent.

Only five of the 500 are publicly traded corporations, up from four in last year's list. The El Chico Corp., and Preferred Homecare of America, Inc. in Miami, are

NASDAQ-listed. Miami's Capital Bancorp, International Bancshares Corp. of Laredo, Texas, and Personnel Contractors of Minneapolis are traded over the counter.

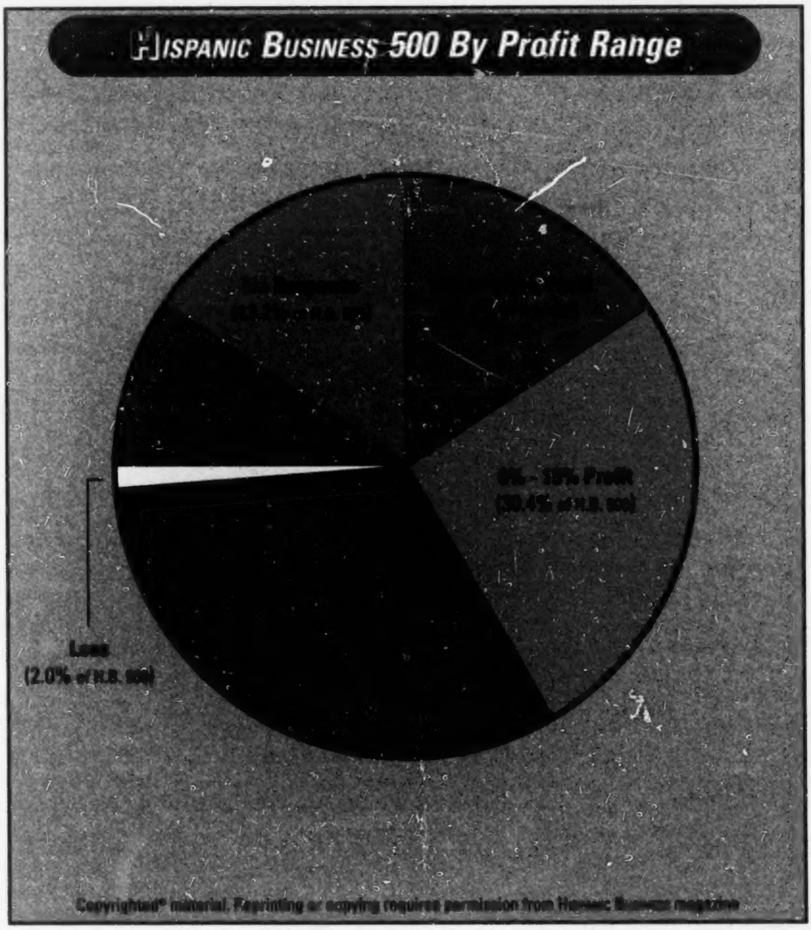
To qualify for the **Hispanic Business** 500 a company must be at least 51 percent U.S. Hispanic owned and be headquartered in one of the 50 states.

We began the process of gathering information for this, the eighth annual **Hispanic Business** 500, almost one year ago. Throughout the year our research department gathered data on Hispanic-owned companies from government agencies, regional minority business groups, and large corporations with minority procurement programs. In January we launched an advertising campaign seeking additional information for the listing. We then mailed questionnaires to thousands of businesses that we believed were Hispanic owned. The questionnaires, which asked for information on each company's sales, number of employees, and general profitability, required the signature of the company's CEO or chief financial officer.

While **Hispanic Business** has carefully reviewed all the information submitted, it is impossible to check out every company thoroughly. We therefore rely on the integrity of the reporting companies' managers.

Importantly, our listing is not exhaustive. While we make an aggressive effort to obtain information on all companies that would qualify for the **Hispanic Business** 500, a small number of firms don't choose to be listed. And, because almost all of the eligible companies are privately held, they are not required by law to make their revenue information accessible.

In most cases, however, America's Hispanic-owned companies have recognized the importance of taking an annual aggregate measurement of the performance of the Hispanic business economy in the United States. The **Hispanic Business** 500 directory is an important barometer of the state of the Hispanic economy in the United States, and particularly of the Hispanic corporate economy.



HISPANIC BUSINESS 500 By Profit Range

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THE 500

#1

Juan Grau

By Rick Mendosa

Bacardi Imports, Inc.

Rum and Wine Importer
Miami, Florida

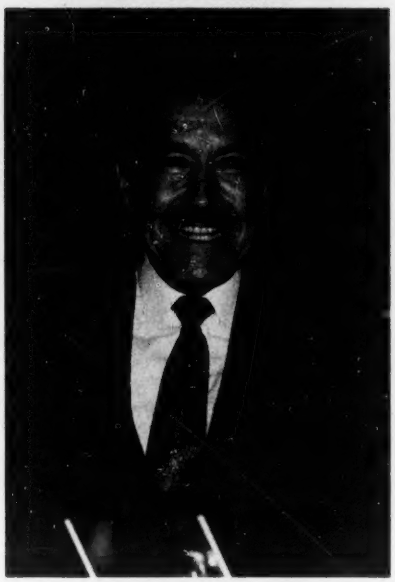
The biggest company in the United States owned by Hispanics is one of the most discreet. Bacardi Imports in Miami is a family-owned business and very private. This much is known: 128 years ago in a bat-infested shed in Santiago de Cuba a young man named Facundo Bacardi perfected a superior way of making rum. Today, a bat is the registered trademark on the Bacardi rum bottle. But Bacardi is no longer a Cuban company.

Indeed, Bacardi is no longer a single company at all. In all the world there is no other multinational company quite like it. While others organize themselves in the form of a parent company with subsidiaries, Bacardi consists of a number of separate companies in quite a few different countries.

How many companies? Several top Bacardi officers told the *Miami Herald* a few years ago they weren't quite sure. A spokeswoman for Bacardi Imports told us she thought there were about 14 companies. But counting all the outposts around the world the total could be as high as 30.

They aren't saying who owns the companies either. But between 250 and 600 descendants of Don Facundo probably own most of this tangled web of companies, including Bacardi Imports, which since 1944 has been the U.S. marketing arm of the Bacardi empire. The Bacardi Corp. in Puerto Rico produces and bottles Bacardi rum for the U.S. market. Bacardi & Co. Ltd. of the Bahamas owns the trademark. Officially, each organization is autonomous, but they are connected through interlocking ownership.

No matter how the Bacardi clan is organized, the marketplace speaks, and it says they are doing okay. Every year since 1985, when Hispanic Business started counting the 500 biggest Hispanic-owned companies, Bacardi Imports has led the list. And ever since 1979 Bacardi rum has been the largest selling distilled spirit brand in the United States. It controls 60 percent of the U.S. rum market.



CEO Juan Grau plays his cards very close to his vest.

"One can't fault their success," industry consultant Thomas Pirko at BevMark International told a major business publication. "But one *can* fault that they haven't been more successful." Bacardi Imports is committed to one industry—one euphemistically defined as "mature." U.S. consumption of hard liquor, beset with health concerns and increasing excise taxes, is nearly flat. So too are its sales. The company has reported sales of exactly $500 million each year for the past three years.

Annual revenues of half a billion dollars are nothing to sneeze at. But doesn't a company have to *grow*? You know, like the Queen told Alice (in Wonderland), "It takes all the running you can do, to keep in the same place."

Nevertheless, Bacardi Imports is firm in its resolve to remain in the same place. "Unlike other spirits companies, we have no interest in diversification outside this core," says a company report. The most Bacardi Imports has diversified came three years ago when it began importing and marketing Martini & Rossi sparkling wines and vermouths. Steven Naclerio, senior vice president of Bacardi Imports, spoke of the Bacardi Breezer when we asked about diversification. This 4 percent rum-and-fruit-juice cocktail, he says, is just being introduced nationally after two years of successful test marketing.

The fact is that Bacardi Imports knows its market. It has a reputation in the industry as a highly innovative advertiser. "Their advertising is very good, and they certainly have achieved great visibility," says Manuel Lasaga, senior economist for the Southeast Bank in Miami.

Back in 1955 Bacardi Imports developed the first liquor ads featuring women, who still buy about half of the bottles of Bacardi rum sold in the United States. In 1988 it pioneered the first holographic advertising package, and it currently emphasizes responsibility, saying that Bacardi rum, "The mixable one," mixes with everything except driving.

It's probably appropriate, for such a tight lipped company, to avoid interviews. Perhaps that's why Hispanic Business has not yet been able to interview Juan Grau, Bacardi's president and chief executive officer since 1988. Mr. Grau, who came to Bacardi Imports from Bacardi y Compania, the brand's Mexican organization, was in fact traveling outside the country for most of the month we attempted to schedule an appointment with him.

It is a large modern company that Mr. Grau is leading into the '90s, one in many respects far removed from the small Cuban distillery where it all began in 1862. Yet the bat still flies on every bottle of Bacardi rum. Bacardi Imports is a firm in touch with its traditions.

THE 500

#9

Dennis E. Nixon

By Rick Mendosa

International Bancshares Corp.

Banking

Laredo, Texas

When a company gets as big as International Bancshares Corp. (IBC) in Laredo, Texas, growth ceases to be the first priority. What matters to them more is how much money they make—although making money may be what caused them to get so big in the first place.

IBC is not just the biggest Hispanic-owned bank in the United States. It is the largest bank owned by *any* minority, according to the Federal Reserve Bank, which lists banks in terms of total assets.

To facilitate our economic comparison of banks with other types of companies for the **Hispanic Business** 500 ranking, we have focused not on assets but on gross income (or revenue). By this measure, IBC passed Miami's Capital Bancorp in 1989 to become the biggest U.S. Hispanic-owned bank, with gross income of $114.9 million.

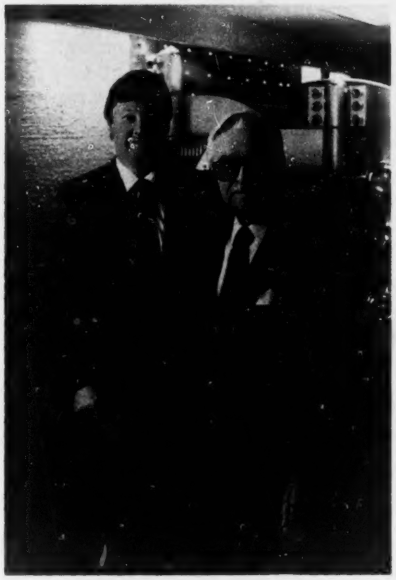
How much of this was profit for IBC? Some $12.9 million went to the bottom line.

You might think that a bank so good at making money would be one of those staid, stuffy institutions that we all know so well. Quite the contrary.

When A.R. (Tony) Sanchez, Sr., and his son Tony Jr. took control of the bank 15 years ago they were determined to build a bank that would serve the community. "Small businesses [as opposed to ranchers] had a difficult time getting loans in this community," he remembers. "Unless you had some cow manure on your boots, you couldn't get a loan from the two banks that were here."

Although the elder Mr. Sanchez is 73 he remains chairman of the board of IBC and runs another **Hispanic Business** 500 company, Sanchez O'Brien Oil & Gas Corp. He says that he and his son own "a little more than 30 percent" of IBC, and that total Hispanic ownership is considerably above 50 percent. IBC is a public company, traded over the counter.

One of the first things that Mr. Sanchez did when he took control of the bank was to bring in Dennis E. Nixon as CEO. Mr. Nixon was working in another Laredo bank, which like most banks only paid lip service to community involvement. "They all *talk* about it," he says.



Chairman Tony Sanchez, Sr. (right) and CEO Dennis Nixon need a big vault to hold their profits.

"I didn't have any money," Mr. Nixon reminisces, looking back on his youth. "I always felt intimidated when dealing with a bank. I said to our guys, 'What we need to do is eliminate that kind of anxiety as quickly as we can.' So our banks are decorated completely differently. Each one looks like a big home. Our offices don't have any walls."

Mr. Nixon's own office is all glass. "I look like I'm sitting in a big fishbowl," he laughs. People walking by will wave or drop in on him without an appointment.

The conscious informality extends even further. IBC has a reputation, according to the *San Antonio Light*, as "one partying bank." Mr. Nixon accepts that characterization, while cautioning that it doesn't mean any lack of seriousness. "We throw a lot of South Texas barbecues, which we call *carne asadas*, because social interchange is important in building bonds between people." Mr. Sanchez agrees. "We love to party. It gives our young officers an opportunity to meet with high income people. It also gives the customer an opportunity to meet our people. We don't want any of our customers to come in and see only strangers."

Neither Mr. Nixon nor Mr. Sanchez is about to change a successful formula. The way Mr. Nixon puts it, "You ride the horse that brung you."

The IBC formula has worked so well that it is the best performing bank holding company in Texas, according to Max Watson of Sheshunoff Information Services, Inc. IBC's lead bank, the International Bank of Commerce-Laredo, has been number one in the state in terms of return on average assets during each of the past four years.

The Laredo bank has become the second largest in that border city. Its much smaller sister bank in Zapata is the largest bank there, and another sister bank in Brownsville is the third largest. The International Bank of Commerce-San Antonio competes with many banks and ranks about 14th there.

IBC intends to expand its network and firmly entrench itself in the South Texas border region. In the process, Mr. Nixon expects IBC's assets to grow from the current level of $1.1 billion to $1.5 billion by 1995. He recognizes that if you stop growing you become stagnant. But profit is what drives this bank.

"If we continue to open up branches, and work hard every day on our penny philosophy," he concludes, "when we get through at the end of the year, we've got a dollar." So to speak.

THE 500

#13

Peter Gibert

By Janet Glasheen

Sekin Transport International

Customs Broker/
Freight Forwarding
Dallas, Texas

"I was on a business trip, eating dinner alone in a restaurant, when a Spanish-born fellow named Peter Gibert struck up a conversation with me," Zaryab Sheikh remembers. "By the end of that dinner," he says, shaking his head in amazement, "Peter had somehow talked me into quitting my job as a financial officer with Nabisco and becoming chief financial officer of a company he'd just bought in Dallas—Sekin Transport International."

A big risk to take, based on just a chance meeting?

That wasn't the half of it. Sekin Transport was "essentially bankrupt." It had lost $1 million the year before—in 1983—and was still losing so much cash so fast that people were talking about it in the past tense. "Peter...just charmed me," Mr. Sheikh laughs. "And he had this *vision*."

Since that first dinner back in January 1984, Mr. Sheikh has helped Mr. Gibert pilot Sekin, which is an international freight forwarder and customs broker, up an earnings curve so steep and fast it's making their ears pop. "We're growing at a compounded annual rate of more than 30 percent," Mr. Gibert observes with his characteristic bright, interested smile. Based on revenues of more than $89 million in 1989, the company places 13 in the Hispanic Business 500.

The international freight forwarding business is so logistically complex and geographically far-flung, requiring so much detailed coordination among people of such diverse languages and cultures, that it's hard to imagine *anyone* succeeding in it. Yet Sekin does succeed, and as the company's brochures say, "makes the complicated process of importing seem simple for its customers."

To illustrate that process Mr. Gibert describes the company's services to one of its most valued customers, the Dallas-based Neiman-Marcus Group, which has multiple stores across the United States.

Peter Gibert is that rarest of commodities—the truly international man.

"They buy all sorts of products," he says, "from high fashion fur coats and leather goods to gift objects. They buy throughout the world, in Bangkok, Hong Kong, Taiwan, Italy, France, Spain, Finland, Switzerland. The moment the merchandise becomes available at the manufacturing plants, our people—from either our own offices or our affiliated partners—pick up the merchandise. They pack it and bring it to airports or seaports. They issue the proper documentation and ship it to the United States. Once it arrives, our domestic offices proceed to coordinate the customs documents and handle inland transportation from the port of entry to the final destinations, which may be warehouses or the shelves of a store."

All of this, every purchase order at every step, is tracked by a sophisticated computer system from Sekin's 31 locations worldwide, and thanks to Mr. Gibert's heavy investment in software R&D, the company can tailor this system to the individual customer's needs. Sekin owns or subcontracts warehousing facilities and equipment, particularly trucks, but does not consider ownership of airplanes or boats cost efficient.

The obvious benefits of a geographically broad network explain the drive for consolidation and bigness that Mr. Gibert sees in the industry today. "I'd like to say we'll just keep on increasing revenues at our current rate, but I really doubt it. It's the darned competition," he muses good-naturedly. "There is *tons* of it, and we're seeing big new entries like Federal Express trying to expand into international bulk shipments too."

But Mr. Gibert, who first came to the United States to play professional soccer at the age of 20, has built a company that's quick on its feet. He works constantly to add still more services and more locations, with a new focus on Latin America.

In his eyes, Sekin's most important asset, far above anything else, is its customers. "To us, the customers *are* always right!" Mr. Gibert exclaims enthusiastically. "They are our one irreplaceable resource. They know the way they want things to be, and in this industry I can't think of any substitute for giving the customers what they want—often through long hours of work."

Mr. Gibert, in turn, seems to be his employees' greatest asset. "He's the kind of person who respects everyone in the company as an equal," says Bonnie Lytton, Sekin's super capable public relations director. "And if there's work to be done to help a customer quickly, he thinks nothing of stepping in to help with any job, from answering the phone to xeroxing. I think we'd all work for nothing if need be to pull the company through a bad time."

Fortunately it doesn't look as though they'll have to.

THE 500

#23

Raymond Rosendin

By Mark Nelson

Rosendin Electric, Inc.

Electrical Contractor
San Jose, California

Raymond Rosendin's company is a lot like that maddening tortoise who always won when he raced with the proverbial rabbit. For 71 l-o-n-g years, Rosendin Electric, Inc. of San Jose, California has been consistently successful. It didn't sprint as fast as many other large electrical contractors during the boom times, but it didn't die overweight on the sidelines during the busts, either. In fact, about 10 percent of its business involves completing jobs begun by other electrical contractors that have gone bankrupt.

Today, with 1989 sales of $76 million, Rosendin Electric ranks among the top dozen of all electrical contractors in the nation, among the top five in California, and first among the Hispanic owned companies in that state. (Sales of $71 million in 1988 ranked the company 21 in last year's HISPANIC BUSINESS 500.)

Mr. Rosendin's success proves that sometimes what "everybody" is doing is just dumb. Most corporations, and particularly large electronics firms, seem to be racing mainly for year-to-year growth these days—no matter what they may say about other goals. Mr. Rosendin, however, has kept his eye first and foremost on cost and quality control, letting the growth take care of itself.

"If we set a goal for volume, as opposed to cost efficiency and quality, then we're liable to suffer," says Mr. Rosindin. Some companies, he explains, will push for volume at the expense of economics. "If there's not much work at a particular time or place, but you bid the project down at cost or below cost just to get it, well, what's the purpose of that?" he queries. "That just dilutes your capital and is not a wise financial decision. That's why we only go where the profitable work is.

"We're a well-managed company with a lot of procedures that we've developed over the years to make sure we don't make the same mistakes over again," this CEO adds. For that reason the firm, which employs between 500 and 600 people, has limited its project scope primarily to the 11 western states, where Mr. Rosendin believes it is logistically more cost efficient to remain. The cost of moving equipment and personnel beyond that range is too high, in his view.

Tight cost and quality control make Raymond Rosendin's Company a winner.

Another of this company's guiding principals is to stay diversified. "We do it all," Mr. Rosendin says matter-of-factly. "We don't specialize in any one thing. We just specialize in everything electrical." About 45 percent of their business, he estimates, comes from the private sector, another 45 from public agencies, and the remaining 10 from special "bonding companies" that place those unfinished jobs.

As a result, this contractor has perhaps the most diversified portfolio of any competitor operating on the West Coast. Current clients include California's Vandenberg Air Force Base (a $30 million, multi-year contract for the U.S. Space Shuttle launch pad facilities), the Trident Submarine Base in Washington state, the San Francisco/Oakland Bay Bridge, the San Francisco and Los Angeles airports, the Federal Reserve Bank and Moscone Convention Center in San Francisco, the Hyperion Water Treatment Plant in Los Angeles, Harvey's Hotel in Lake Tahoe, and major office complexes, shopping centers, and hospitals in the West Coast's largest cities.

All of this is a long way from the motor rewinding shop Mr. Rosendin's father founded back in 1919. The company was geared then for the agricultural industry—mostly fruit farmers—that dominated the area just south of San Francisco. Like many companies, Rosendin Electric began to expand during World War II, when aggressive bidding landed it a number of contracts to wire ships built in the San Francisco Bay area.

But the company remained something of a one-man operation until Mr. Rosendin joined his father in 1950 after earning a degree in electrical engineering. "Opportunities to expand really opened up in the '50s and '60s," he recalls. San Jose's economy began to diversify with the arrival of such firms as Lockheed and IBM, and Rosendin was well placed to capitalize on the legendary growth of the Silicon Valley, which replaced a patchwork of farms and orchards with one of factories and corporate headquarters.

Still, the company remains a family affair. Mr. Rosendin, who is president as well as CEO, is assisted by his brother Louis, the executive vice president, and his mother, who is chairman of the board. That may help him hold the line against pressures for growth. "I'm not planning for major growth now," he emphasizes. "Once you're among the top five or 10, it's much tougher to stay there than it was to get there."

THE 500

#84

Roberto Arguello

By Roger E. Hernandez

Matlyn-Stofel Foods, Inc.

Supermarkets

New York, New York

How did an engineer wind up running a supermarket firm? The answer, says engineer turned grocery entrepreneur Roberto Arguello, has to do with revolution, research, and business savvy.

Mr. Arguello was a Notre Dame University-trained builder in his native Nicaragua, which he fled after the Sandinista takeover in 1979. When Mr. Arguello settled in New York City he saw tremendous opportunities for entrepreneurs and began to explore ways to start a new business venture.

"I analyzed 50 different kinds of industries and businesses," he says. "My conclusion was that I needed something that would not require a tremendous amount of start-up capital—I just didn't have it—and something that would allow my children to work with me if they wanted to. I first narrowed it down to retail, and then to supermarkets. It's a high volume business with no accounts receivable."

Mr. Arguello says he feared going into the business without good knowledge of it, but his problem was solved when he met Herb Stopeck, a 32-year veteran of the supermarket industry. The two men became partners.

In 1983 they found a supermarket for sale near Van Cortland Park, in the North Bronx. "It was doing a small volume but we saw potential because it was in a growing Hispanic area," Mr. Arguello says. He and his partner bought it. The following year they bought another store, in Brooklyn Heights.

Each of the two stores, Mr. Arguello says, has its own personality. The market each serves is different, and ordering the food that will sell at each location is a constant process of fine-tuning.

The store in the North Bronx is in a predominantly Hispanic area. Mr. Arguello points out that residents are working-class, and that the neighborhood is healthy and a far cry from the urban squalor of the South Bronx, just a short ride away. Most of the clientele is made up of Puerto Ricans and Dominicans, so the store has a good selection of staples like chayote, pastelitos, and gandules.

This Nicaraguan native is a niche player focusing on expansion within New York City.

The Brooklyn store is in a gentrified Anglo neighborhood. It sells a wider variety of upscale items—fancy hams, gourmet coffee—than the Bronx store, but prepackaged Hispanic foods also sell very well here. Mr. Arguello says that although some of the more exotic tubers are really hard to move off the shelves in the Brooklyn store, "Non-Hispanic New Yorkers love Hispanic food."

The two stores together have a sales volume of $22 million, says Mr. Arguello. Both are members of Key Foods, a regional cooperative that Mr. Arguello credits with much of his success. Member stores order most of their inventory through the Key Foods cooperative, which also furnishes warehousing and provides advertising. The co-op also carries La Llave, its own house brand of packaged foods from Caribbean Hispanic nations. At the end of the fiscal year, Key Foods distributes a rebate to its member stores, in proportion to the amount they ordered through the cooperative.

The parent of both stores is Matlyn-Stofel Foods, Inc., a firm owned by the two partners. The name, a combination of the names of Arguello and Stopeck family members, reflects the company's organization. Mr. Arguello's son Ivan, daughter Jenny, and her husband Enrico Palazio manage the stores, while Mr. Stopeck's wife Roslyn is the general accountant.

The two families hope that within five years they will have a total of five to seven stores. They are ready to begin expansion right now, but only within New York City. "If we make a move to the suburbs we'll have to compete with the giants—A&P, Pathmark," Mr. Arguello says. "I'm not afraid of competition, but you have to find your own niche. If your capital is $1 million then you can't fight a monster with just $5 billion."

Within those New York boundaries, says Mr. Arguello, he is not specifically looking for a supermarket in a Hispanic area. "If we find one in the right spot we'll buy it, as long as it has high volume and can pay for itself," he says.

Mr. Arguello and his eldest son Roberto Jr., a banker in Miami, are well known among the Nicaraguan exile community, and to leading figures in Nicaragua's troubled political life. A fervent anti-Sandinista, Mr. Arguello says his old friend Violeta Chamorro, elected president of the country last February, is going to have a tough time wresting power away from recalcitrant Sandinistas. So for the foreseeable future, he says, he has no plans to expand to Nicaragua. "I don't see any incentives, and business moves to where there is a good ground to grow."

THE

#98

Noel Hernandez

By Sandra del Villar

Graphic Productions Co.

Printers/Lithography
Miami, Florida

The printing presses at Graphic Productions Co. never stop. Twenty-four hours a day, seven days a week, the sounds of huge blank sheets slapping ink-stained rollers echo through the 100,000-square-foot warehouse as tank sized presses turn out multicolored images.

Noel Hernandez began this Miami based business in 1974 with $5,000 in cash, a $15,000 bank loan, and a handful of workers. Now a staff of 130 churns out thousands of colorful pages to meet the deadlines of more than 450 accounts for everything from catalogs and magazines to travel brochures and coloring books. These activities brought in revenues of $16.7 million in 1988 (for a ranking of 113 on the **Hispanic Business** 500), and $18.8 million in 1989. The company expects to produce at least $20 million this year and $50 million a year by the end of the decade.

Mr. Hernandez, the company's president and CEO, monitors his multi-million dollar operation almost continually from a closet sized office adjacent to the print works. Although he has another, more formal, office with a reception area and built-in fish tank, he says he prefers to work closely with his staff because he believes hands-on leadership is a key requirement for the company's growth.

This Cuban born millionaire, who emigrated to New York in 1960 to join his older brother, explains that printing is a cyclical industry plagued by postal increases and numerous day-to-day headaches including equipment malfunctions, long hours, and rush deadlines.

It follows that this successful printing company's staff—which includes separate crews in the press room, sales office, bindery department, and preparational edit area—has to be dedicated to getting the material out, no matter what. That's why Mr. Hernandez virtually lives at the plant. "The company and Noel are an extension of our own families," explains Executive Vice President Bob Barkow. "We are together almost all the time. We're very close and we work very hard." Also, says Mr. Hernandez, "You can really help the company when you go back to each department and find out what the problems and frustrations are—and then you work with them to devise solutions."

Noel Hernandez (left) with Paul McCoig of J.C.Penney.

Another benefit of hands-on top management is that "It's a lean operation," according to Michael Sousa, one of the company's account executives. "Everyone is producing and there are very few people in administration."

Graphic Productions has been able to stabilize its cash flow and nearly double business over the past three years, Mr. Hernandez points out. They achieved this increase through a focus on repeat business with larger, ***Fortune*** 500-type accounts, such as J.C. Penney and Philip Morris Companies, that provide regular monthly or seasonal work representing annual billings of $50,000 and up.

As a small new company seeking a niche in the mid-'70s, Graphic Productions focused at first on the "shorter-run" annual catalogs of smaller and medium-sized businesses. Many of these catalogs were run between December and February, and business slumped during the off months of May through August—without a proportional drop in operating costs.

But "the more you can get into a publications market, the more you can stabilize the cash flow of the business," observes Comptroller Jorge B. San Miguel, and the Graphic Productions Co.'s strategy is to further cultivate larger accounts. About 25 percent, or 112, of the company's current accounts are high-revenue generators, Mr. Hernandez says, adding that he expects this figure to double within the next two years.

And as funds funnel in, Mr. Hernandez says he intends to put them right back into the business by investing in high-tech equipment that costs between $1 million and $2.5 million per machine. In this business, he explains, "if you don't improve your equipment on a yearly basis your company will die." The company's current presses and camera equipment are valued at $10 million—$900,000 of which was spent in 1988 to upgrade a printing press.

This year the company plans to purchase a $2.5 million computerized press that will double printing speed and allow the use of thinner paper, which clients are demanding to trim their shipping costs as postage rates rise. This is a serious challenge, Mr. Barkow says, because thinner paper is more difficult to work with.

The new equipment also will require considerable employee retraining, but the Graphic Productions Co. is taking it in stride. "It's a lot of hard work but we just put in the hours, that's all," says Production Coordinator Ernesto Garcia.

THE 500

#106

Robert Zamarripa

By Ricardo Sandoval

San Diego Wholesale Electronic Supply

Electrical Distribution

San Diego, California

Of all the lessons Robert Zamarripa learned in more than 30 years of watching his father climb to a top executive position in the electronics supply business, the one that stands out most in his mind is "Never leave well enough alone."

Mr. Zamarripa's young company, San Diego Wholesale Electronic Supply, is a testament to that lesson. It has grown beyond the expected pace in an extremely competitive high-tech market. Like any good entrepreneur, Mr. Zamarripa is positioning the company for further expansion—to a third store—in Southern California. But, being his father's son, he is doing what many CEOs would not. He is getting the organization ready for a risky jump south across the United States-Mexico border.

In seven years San Diego Wholesale Electronic Supply has become one of the region's leading sources and servicers of intricate industrial sized computing and assembly-line equipment. The company, which ranked 148 in last year's **Hispanic Business** 500, racked up revenues of $17.5 million in 1989 and expects to bring in $21 million in 1990. Mr. Zamarripa's products and staff are vital to the daily operations at San Diego-based companies like the Union-Tribune Publishing Company, which produces two metropolitan newspapers, and Solar, Inc., a maker of giant turbines and industrial power generators.

"Our capacity in San Diego is growing with the growing population and economy. But we won't stop there," says this 34-year-old son of a Mexican father and Irish mother. Mr. Zamarripa plans to set firm roots in Tijuana's fertile industrial soil during 1990. "We are starting to service customers in Tijuana," he explains. "Our technical people are starting to work for companies that operate maquiladoras."

Robert Zamarripa sees San Diego and Tijuana becoming international manufacturing centers.

"We are studying the best way to get more involved in the supply and servicing of equipment directly to that [maquiladora] market," he goes on. "I believe we will need to expand in Mexico because many of our U.S. customers are going there. But I don't think we can serve maquiladoras directly without Mexicans who live there and know the turf." (Electrical engineers Larry Reyno and Paul Judge—former employees of his father's company—helped Mr. Zamarripa start the business. He owns a 51 percent interest and they retain minority stakes.

Mr. Zamarripa is leading a trend that will see more Southern California supply companies setting up shop south of the border in order to tap into the assembly and manufacturing equipment needs of more than 600 maquiladoras located in and around Tijuana. Maquiladoras are special plants that enjoy tax and investment law breaks in exchange for injecting foreign capital into Mexico's weak economy, and for hiring Mexican workers.

Maquiladoras in Baja California currently employ more than 75,000 people, but Mexican government projections call for a 20-percent increase in the number of such plants during 1990 alone.

As part of his commitment to acquiring new business in Mexico, Mr. Zamarripa is relearning Spanish—a language he let slide as a youth, when it was considered a sign of social retardation to be bilingual. "I was raised in an era when we were urged to forget the language," Mr. Zamarripa confides. "I'm better now, but I'm still not as bilingual as I should be."

Mr. Zamarripa says his U.S. business—which started on $125,000 in loans and produced $300,000 in first-year revenues—will be tested by San Diego's continuing metamorphosis into a resort town. As more retail and tourist businesses spring up to feed off a growing number of people, land prices will escalate and make it difficult for manufacturers to survive. "It is getting increasingly tough to buy land for expansion. It is also harder to keep employees—especially young ones—here, where housing is more expensive," Mr. Zamarripa said. "It is important to keep those skilled young people with us because our strength has always been a talented group of employees."

Today the success of Mr. Zamarripa and his 52-person work force is evident in places like the assembly floor of Solar, where specialized electronic control devices they have sold and serviced help run massive pieces of manufacturing equipment. Frank Rugnetta, manager of Solar's worldwide sourcing division, has been ordering the specialized electronic control devices needed to run his company's manufacturing lines from San Diego Wholesale Electronic. "He's a sharp character and his company is a class act," says Mr. Rugnetta. "We consider them a strategic partner. They rank in the top 10 percent of the companies I've dealt with."

Mike Padilla

By Joel Russell

#115

Gateway Chevrolet

Auto Dealership
Buena Park, California

If timing is everything, Mike Padilla should *not* be a successful auto dealer. But if sales skills, marketing savvy, and sound management principles count, they may explain how he became CEO of Gateway Chevrolet in Buena Park, California.

After graduating with a degree in civil engineering and working in real estate development, Mr. Padilla was recruited by General Motors (GM) in 1972 for its newly formed dealer development program. Then came the bad timing. When he graduated from GM's program the year was 1974, the peak of the energy crisis. The auto industry was in turmoil—and new dealers needn't apply.

"GM at the time had made a commitment to find dealerships [for minority candidates]," remembers Mr. Padilla. "However, the commitment at the top did not reach all the way out to the local zones, where there was little support. So you just had to beat the bushes, talking to zone managers and various dealers to see if you could locate something for sale."

He ended up working for other dealers until 1978, when Pontiac finally found an open spot in Thousand Oaks, California. Again, timing didn't help. "I had to buy land and build a facility," Mr. Padilla recalls. "By the time it was built it was 1979, when the second energy crunch hit.

"I didn't do well with the dealership," he continues. "I ended up selling it in 1982—but I did very well with the land. I recouped enough money to buy into [Gateway Chevrolet] in Orange County, California." Negotiations to buy the dealership lasted a year. Mr. Padilla says reaching an agreement was the most difficult step in the entrepreneurial process. But this time he caught the business cycle on an upswing. The final deal was completed in November 1983. "My timing was a little bit better, in that the economy was just starting to roll," he notes.

Gateway Chevrolet had lost money under two prior owners. "It was declining, and there was little interest in the business," Mr. Padilla says. "I analyzed who was here; I upgraded the management staff and revitalized the sales department. I got new people and educated them in our method of selling." By 1988 Gateway Chevrolet had sales of $13.95 million (ranking 138 on the **Hispanic Business** 500), and in 1989 revenues increased to $15.74 million. Mr. Padilla estimates that a full 30 to 35 percent of his customers are Hispanic.

Mike Padilla wants to increase the number of U.S. Hispanic auto dealers.

The ability to adapt in tough times will be an important asset during the next decade. The National Automobile Dealers Association (NADA) estimates that the average dealership's profit margin in 1989 was a meager 1 percent. This year it will probably drop to 0.8 percent. In short, new car sales are a break-even proposition for dealers. "In the past you could get away with just running a new car sales department that generated all the income," muses Mr. Padilla. "Today, in this competitive market, running a dealership is a different game. You have to make five departments efficient, not just one."

In addition to beefing up his service, parts, used car, and finance and insurance operations, Mr. Padilla will move the store to an auto center he developed in cooperation with the City of La Mirada, California. With this move the company will go from 17,000 square feet to 50,000 square feet on 5.2 acres. There Gateway will take advantage of traffic from the other two dealers in the center. Initially, this CEO plans to "retain the same lines and double the inventory," but he also holds the option of representing other manufacturers. Because more lines will be available to buyers, he predicts, people will be less loyal to one particular product, and no one product's share of the market will be significant enough to support the entire expense structure of a dealership."

Also, he explains, "You develop more volume in all the departments by having more lines...You have to be flexible enough to deal with changes in the market. And we have built that flexibility into our new project. We allowed a lot of extra service space, showroom space, and display space. And we designed the project so an additional showroom could be added."

Now Mr. Padilla plans to fulfill his dream of a Hispanic auto dealers association. The group's first meeting was at NADA's annual convention in February. Out of 10,000 GM dealers, only 50 are Hispanic. "In Southern California, where 30 percent of the population is Hispanic, there are many Hispanic managers, but many aren't even aware of the opportunities," Mr. Padilla says. "There *are* opportunities out there, but it's going to take a lot of hard work and sacrifice to make it happen."

Perhaps the time has finally arrived.

THE 500

#183

Facundo Bravo

By Maura J. Mackowski

Uni-Boring Co., Inc.

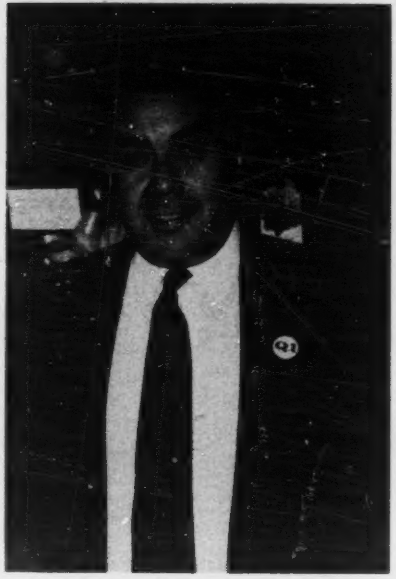
Precision Machining
Livonia, Michigan

If you're in Detroit, you're probably in the auto business. Or in and out of the auto business. Industry fluctuations during the past decade have played crack-the-whip with the fortunes of many a small firm that services the Big Three auto makers. For Uni-Boring, Inc. of Livonia, Michigan, though, the tenacity to hang on through the industry shakeouts of the '70s and '80s has produced a financial solidity that should ensure continued growth into the '90s.

Argentina-born Facundo D. Bravo brought his skills as a tool-and-die maker to the United States in 1965. He spent a year in Ford Motor Company's experimental design department before leaving to work for a decade in a local job shop. Then in 1976 he and a partner formed Uni-Boring Co., Inc. Their start-up firm, which makes engine and transmission parts that must be machined to very precise tolerances, racked up $150,000 in business the first year. By 1983 though, Uni-Boring was going bankrupt.

"Yes, it would have been easier to just give it up and go to work for someone else," Mr. Bravo admits with a smile. "I certainly would have made a lot more money at the time." Instead, he bought out his partner and began putting together a team of top-notch people who could help put the business back in the black. He kept reinvesting the profits back into Uni-Boring, taking only enough salary to keep food on the Bravo table. Working 16 hours a day, seven days a week, Mr. Bravo says, the Uni-Boring team kept the doors open and built a reputation that led to the company's listing on the **HISPANIC BUSINESS** 500. (The company ranked 209 in 1988 and increased revenues by almost 17 percent, to $10.5 million, in 1989.)

"When we started up we were not supplying the automotive manufacturers directly," Mr. Bravo says. "We were supplying people who were in turn supplying them." Then in late 1983 Uni-Boring received its first contract from the Ford Motor Company. Once it had proved its capabilities on those first engine blocks, the firm was admitted in 1985 to Ford's minority supplier program. Its list of automotive customers has since grown to include Mack Truck, Chrysler, and the Buick Division of General Motors. In 1989 Uni-Boring was awarded Ford's prestigious Q-1 Certification.



Facundo Bravo's company is tooled to weather auto industry storms.

According to Minority Supplier Development Specialist Dave Andrews, the Q-1 program is the basis for Ford's hopes of maintaining its competitiveness in the 1990s. The program involves intensive review of suppliers' systems, finances, raw materials, and other factors that determine their ability to deliver quality goods on time and at a fair price. Two years ago Ford announced that as of 1990 any supplier not rated Q-1 will receive no new business. And effective in the 1992 model year, such uncertified companies will receive no carryover business.

"One result for Uni-Boring of achieving its Q-1 rating," Mr. Andrews says, "is that the company has thrown away just about all its old equipment and now has state-of-the-art computer numerically controlled machines. Better quality work means less scrap and less cost. It takes the better part of a year to achieve the Q-1 Certification," he adds, "and some people don't make it. Importantly, the rating can also be taken away."

"I hope the Q-1 will open doors for us," Mr. Bravo says, "but it doesn't change our plans. You can't say, 'Now I have this award, I'm just going to sit on it.' Instead I'm probably going to be more aware of what I'm doing than at any other time previously. The hardest part isn't to get the award, it's to maintain it."

The Q-1 Certification may indeed be the jumping-off point for the 110 member Uni-Boring group. "I'm not worried about the automobile industry...but I am concerned," says Mr. Bravo. "I think it is pretty strong today and it will be strong for many years to come. We have a five-year plan; we expect to grow 10 to 15 percent per year by continuing to do pretty much what we're doing now."

"Still, we're looking at a strategy of diversification," he adds, "going toward some government contracts and some work for the air moving, aircraft, and other industries. We've done some work for Mexican companies and would like to do more with them. We offer more services than companies that would just machine the parts. We can design, do tooling and production, and work with engineers."

But all their ventures, Mr. Bravo concludes, will depend on the team spirit that brought Uni-Boring back from the brink of bankruptcy. "I don't like to hear people say 'I work for someone,'" he explains. "I don't think that anyone should work for me; they should work with me."

Eduardo Cabrera

By Mark Nelson

#370

Cave Imaging Systems, Inc.

Security Services
Santa Clara, California

In California's Silicon Valley, top executives often worry most about gaining a technological edge over their competition. But even after hatching an innovative product, they agonize over whether valuable trade secrets will somehow leak to a fierce competitor or the general public.

Perhaps a disgruntled employee will take top-secret information to the "enemy." Sloppy communication habits may allow confidential data to get into the wrong hands. Or "spies" may discover information about a product or marketing plan that weakens the company's strategic advantage.

Eduardo Cabrera, a Colombian-born physicist with 30 years of experience in the aerospace industry, has learned how to capitalize on this security conscious atmosphere. His mission is to plug up the leaks by making sure that there are no breaches of security among his clients.

Three years ago he launched a full-service security business in Santa Clara that went from zero orders in its first year to revenues of $3.2 million in 1988 (placing 428 on the Hispanic Business 500) and nearly $4.5 million in 1989. His company, Cave Imaging Systems, Inc., employs 140 people, including five immediate family members in key posts.

By emphasizing a complete package of security-related systems as well as personal service from the top down, Mr. Cabrera is hopeful that he can turn his company into a $30 million-a-year business. He prefers to sustain a reasonable growth rate. While pretax profits were about 12 percent of gross revenues in 1988, they dipped to about 5 percent of revenues in 1989, primarily because steady growth required that more money be pumped back into the company.

Mr. Cabrera conceived the idea for his business through his former job installing microwave equipment for high-technology firms. He found that clients of his employers often wanted their closed-circuit television systems replaced or repaired, and began doing moonlight repair service from his garage. Today his business occupies 5,000 square feet of space in a modern office park.

Eduardo Cabrera (right) and son Christopher, VP, provide full service security.

"This company has quite a unique concept," says Mr. Cabrera, who is also chairman of the board. "I'm not sure anyone else in the United States is doing it. We offer total security services, so the main people at a company can go home in the evening and leave it to us to lock the building up tightly, perform custodial duties, provide security guards, locksmithing, shredding [of paperwork], investigation of potential employees—virtually everything."

The company sprouts new divisions as fast as it discovers a client's security needs. Initially the company offered to install, repair, and maintain closed-circuit cameras that eye various locations in a building. Because someone was needed to monitor the television screen, Mr. Cabrera then added unarmed uniformed guards who are highly trained. And, because some janitorial businesses were not doing background checks on janitors, Mr. Cabrera also added an around-the-clock custodial service. Finally, Cave has a logistics division that oversees the efficiency of some of its own smaller services.

Mr. Cabrera thinks his company has a strategic advantage over larger, better-known security companies because Cave's service is more personal. With Cave, a client can reach Mr. Cabrera directly any time because Cave has its own microwave telecommunications system. Cave's tactic is to try to sell more and more of its services once it forges a business relationship.

About 30 percent of Cave's business comes from companies that want to satisfy requirements for contracting with minority-owned businesses. "We're certainly not shy about mentioning to prospective clients that it's helpful to them to contract with a minority-owned company," Mr. Cabrera smiles.

In the beginning when cash flow was erratic, Cave relied on services that advanced it money on unpaid receivables—in order to get the cash immediately. "This gave us the capital to get going and start growing," the CEO confides.

Mr. Cabrera isn't sure whether it's because he is Hispanic or that he didn't have a formalized business plan, but he couldn't round up start-up money beyond his own investment. "When I was trying to sell the idea to venture capitalists, they always asked me for a business plan. I'd say, 'Here is my concept and you give *me* a business plan.' I always found it difficult to get money, but not clients. The main thing though is to have a concept and a common-sense approach to marketing. If you really have confidence and perseverance you will succeed."

THE 500

#390

Alejandro Salas

By Rick Mendosa

Craftsmen Corp.

Integrated Logistics
Smithtown, New York

Imagine how great it would be to go into business with your best friend. Especially if the two of you have complementary experiences and talents, and if by pooling your savings you could double your investment capital.

Lots of people have that dream. Some people get that nightmare.

Alejandro Salas and an old friend of his were two people who envisaged the benefits of partnership—and then saw it turn into a bad dream.

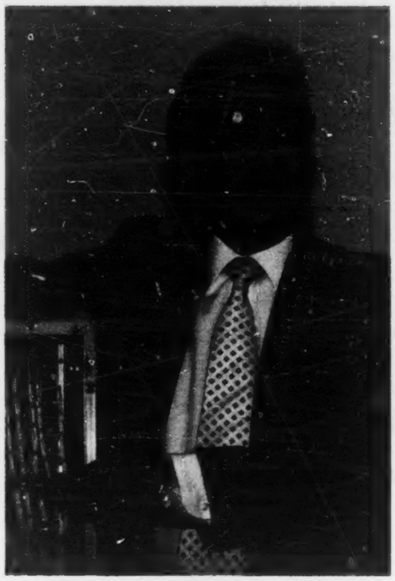
Mr. Salas had a small heating, air conditioning, and ventilation (HACV) service and installation company. Unfortunately the local market was slow, and besides, Mr. Salas hated the unions that come with that type of business. But he had a friend.

"We were friends for years and years," Mr. Salas recollects. "At one time he worked for me. We came up with the idea of putting together a company." The friend had a small integrated logistics support business that did electronic engineering design and development work for aerospace companies. As Mr. Salas saw it, his friend's business had a big advantage: "If you treat your people well, you will never have a union in the house."

Mr. Salas put up 65 percent of the equity for the new venture, and his friend put up 35 percent. Later the split became 55 and 45 percent. They called their company "Craftsmen Corp.," a name broad enough to encompass their current activities and any others the optimistic entrepreneurs thought they might want to move into later on.

About four years ago the company began to phase out its marginally profitable HACV activities and concentrate on the aerospace side.

That's about the time the "wrangling" began, Mr. Salas says. Mr. Salas started traveling out of town regularly to market Craftsmen's services in Washington, while his partner assumed more and more management responsibility in the office. "Every time I came back, I would see a change in the office," Mr. Salas recalls, and as so often happens in partnerships, the two men just didn't see eye to eye on the way things should be done.



Alejandro Salas learned some hard lessons about partnerships.

Finally, there was only one solution—economic divorce. Two lawsuits and one ruined friendship later, Mr. Salas became the sole owner of the business in 1987. The buyout cost him $450,000 and wasn't completed until last year.

As he closed this first chapter of the company's life, Mr. Salas faced both big opportunities and some big management problems. The organization had suffered from having two pilots with two different flight plans. The employees had developed split loyalties, and turnover was "lousy," Mr. Salas explains. With a temporarily diminished staff, the company took on fewer contracts.

Craftsmen Corp. had stopped growing. Mr. Salas's plan had been for sales to climb to $7.5 million in 1988, but in fact revenues stalled at $3.9 million that year (placing the company at 383 on the 500), and lumbered on at that level in 1989.

"I had to back off on expanding until I straightened out the company," Mr. Salas recalls, but in the process, "we became more profitable." While profits had long ranged from 1 percent to at most 5 percent of sales, Craftsmen's return on sales was close to 8 percent in 1989, or about $300,000. And after making the final payment to his former partner, Mr. Salas didn't have to split those profits with anyone.

Finally, a solid company is in place. And with scarcely any time to spare: Craftsmen has just won a $12 million job from Grumman Corp. to subcontract tests of a new Air Force surveillance aircraft. The new work will require opening a fourth field office and a 100 percent increase in staff—to 112 employees.

Although about 60 percent of all Craftsmen's work is for the military, Mr. Salas says "the company hasn't been hurt" by recent military cutbacks. Nevertheless, he does plan to diversify under the broad Craftsmen umbrella.

For example, with all the top-notch computer people he now has on his staff, Mr. Salas figures that one of them could come up with a big-selling computer game. "I could peddle it," he says. "If you are going to make money, go with family-oriented things—that means games. They're going to cut back on airplanes, but they are not going to cut back on toys."

Whether or not his engineers come up with a game or two, Mr. Salas, who is 57, is planning for managed growth to "no more than $14 million to $15 million" by 1995. He doesn't want the company to grow too fast to manage.

Besides, he says, "Five years from now, I want to go fishing once in a while. I haven't done that in about 15 years, and I'm a great fisherman."

THE

#442

Carlos Herrera

By Lorenzo Chavez

Preferred Homecare of America, Inc.

Home Healthcare
Miami Lakes, Florida

CEO Carlos Herrera is a quiet, businesslike man who happens to be riding on the nose of a rocket: the home infusion therapy market. His young company—Preferred Homecare of America—rang up revenues of $3 million in 1989, the year it went public. As an up-and-comer in a market that's growing 29 percent a year (from $200,000 in 1983 to a projected $2 billion by 1995), Mr. Herrera expects his revenues to more than triple this year, and reach $50 million by 1995.

Home infusion is the dripping or pumping of nutrients and medications into a patient's body at home rather than in the hospital. It saves patients and their families anywhere from 50 to 70 percent of the usual hospital expenses, Mr. Herrera explains, and allows for treatment in a more comfortable setting. This is particularly important, he says, with terminally ill patients whose treatments can last "months and months," and who "want to be with their family as much as possible."

For most of these patients home infusion is a brand new alternative. Seven years ago this was a highly fragmented, decidedly earthbound market. Often, groups of doctors owned local home infusion therapy businesses (providing visiting nurses and rentable treatment equipment, called "delivery systems") that they could refer their own patients to. But then the number of conditions that could be treated with infusion at home began to increase, from maybe 25 in 1983 to more than 1,000 today. And hospital costs began jumping off the top of the charts.

All this made home infusion therapy more and more interesting to the Medicare system and other insurers, who were asking patients to go home "quicker and sicker." Also, it didn't hurt that America was getting "gray." By the end of this decade, one in six Americans will be over 65 years of age.

Carlos Herrera travels 30 percent of his time, paving the way for further expansion.

Just three years ago Mr. Herrera, 31, was controller of Florida-based CarePlus, Inc., one of the top 10 competitors in the exploding home infusion market. He saw forward-looking businesses like his own employer beginning to build share and preempt competitors in key markets, often by "gobbling up" small companies. That is, he saw the market expanding and the competition consolidating, and he decided that he would rather guide the growth of a business of his own than ride along with somebody else.

Maybe most important, "he saw money being left on the table; he saw areas that weren't being tapped," says Leonard Velis, a Los Angeles based stockbroker with the Stuart-James Company, Inc., which underwrote Preferred when it went public. For example, says Mr. Velis, many of Preferred's competitors do not own the pharmacies that provide the medications their systems deliver—and those drugs "are a very profitable, high growth part of the picture." But Preferred now owns and operates five pharmacies, four of which have been built and staffed since they became public, and plans to own more pharmacies in the state of Florida than any competitor by the end of this year.

These are not like the pharmacies you'd see in the back of a drugstore," he continues. "They're much larger, and they don't have customers coming in to make purchases, they are suppliers."

Also unlike many of its competitors, Preferred is integrated into medical equipment. The company buys durable medical equipment, like hospital beds and wheelchairs, at a discount and then rents or sells it to customers. This integration of delivery systems, drugs, services, and equipment enables them to work very closely with physicians, because they are able to arrange for what the treatment plan requires in an integrated way.

And what about the future? One kind of growth, Mr. Velis suggests, will come from expansion into other in-home therapies, like ventilation (e.g., provision of oxygen to assist in breathing).

For patients in a coma, that can cost 200,000 or more a year in the hospital, he points out, but can be done for half as much in a convalescent setting.

Mr. Herrera also has developed definite plans for his company's further geographical expansion—in Texas, for example—and spends about 30 percent of his time traveling around the country working to make that happen. The company, which he started in Florida with $250,000 just three years ago, already operates in parts of New York and New Jersey and in the Washington, D.C. area.

"The most fulfilling part of my job is that I have the opportunity to build a strong company," Mr. Herrera concludes quietly, "and that my company helps people at a time in their life when they need it the most."

Hispanic THE 500 Business

Rank 1989	Rank 1988	Company and Location	Chief Executive	Type of Business	Number of Employees	Year Started	1989 Sales*
1	1	**Bacardi Imports, Inc.**, Miami, FL	Juan Grau	Import/Dist. Rum/Wine	280	1944	$500.00
2	2	**Goya Foods, Inc.**, Secaucus, NJ	Joseph Unanue	Hispanic Food Mfg./Mktg.	1500	1936	320.00
3	3	**Sedano's Supermarkets**, Miami, FL	Manuel A. Herran	Supermarket Chain	1360	1962	198.24
4	5	**Handy Andy Supermarkets**, San Antonio, TX	A. Jimmy Jimenez	Supermarket Chain	1082	1983	155.74
5	4	**Galeana Van Dyke Dodge**, Warren, MI	Frank Galeana	Auto Dealerships	241	1965	141.93
6	13	**Pizza Management, Inc.**, San Antonio, TX	Arturo G. Torres	Restaurant Chain	4500	1972	134.50
7	7	**Frank Parra Chevrolet, Inc.**, Irving, TX	Frank Parra	Auto Dealerships	245	1971	125.75
8	12	**Ancira Enterprises, Inc.**, San Antonio, TX	Ernesto Ancira, Jr.	Auto Dealerships	264	1983	117.65
9	•	**Int'l Bancshares Corp.,**** Laredo, TX	Dennis E. Nixon	Commercial Banks	322	1966	114.88
10	14	**Capital Bancorp,**** Miami, FL	Abel Holtz	Commercial Bank	650	1974	110.28
11	6	**Gus Machado Enterprises, Inc.**, Hialeah, FL	Gus Machado	Auto Dealerships	315	1982	102.23
12	11	**Northwestern Meat, Inc.**, Miami, FL	Elpidio Nunez	Wholesale Beef/Seafood Dist.	110	1961	96.31
13	•	**Sekin Transport Int'l**, Dallas, TX	Peter Gibert	Customs Broker/Freight Fwdg.	162	1984	89.00
14	17	**Condal Distributors, Inc.**, Bronx, NY	Manuel B. Fernandez	Wholesale Food Dist.	250	1968	87.00
15	•	**Gasateria Oil Corp.**, Long Island City, NY	Oscar Porcelli	Gasoline Stations	440	1973	85.00
16	24	**Lloyd A. Wise Cos., Inc.**, Oakland, CA	Anthony A. Batarse, Jr.	Auto Dealerships	150	1914	82.70
17	15	**El Chico Corp.,**** Dallas, TX	Gilbert Cuellar, Jr.	Restaurant Chain	3800	1940	81.34
18	35	**Mexalloy Int'l, Inc.**, Mobile, AL	Enrique Gomez Palacio	Ferroalloys Dist.	8	1983	80.94
19	16	**H&H Meat Products, Inc.**, Mercedes, TX	Ruben E. Hinojosa	Meat Packing/Dist.	350	1947	79.00
20	19	**Travelmasters, Inc.**, Arlington Heights, IL	George Brandes	Corporate Travel Consulting	102	1973	78.20
21	20	**Perez Interboro Asphalt Co., Inc.**, Brooklyn, NY	Robert Perez	Asphalt Mfg./Construction	350	1972	76.70
22	18	**American Int'l Container**, Miami, FL	Remedios Diaz Oliver	Glass Container Dist.	169	1976	76.50
23	21	**Rosendin Electric, Inc.**, San Jose, CA	Raymond J. Rosendin	Electrical Contracting	600	1919	76.00
24	22	**Eagle Brands, Inc.**, Miami, FL	Carlos de la Cruz	Beer Distributorship	193	1984	73.20
25	28	**Banana Services, Inc.**, Coral Gables, FL	Rodrigo Jimenez P.	Banana Importing	12	1981	65.63
26	23	**Precision Trading Corp.**, Miami, FL	Israel Lapciuc	Consumer Electronics	35	1979	64.00
27	33	**RJO Enterprises, Inc.**, Lanham, MD	Richard J. Otero	Government R&D	600	1979	60.25
28	29	**TELACU**, Los Angeles, CA	David C. Lizarraga	Holding Company	550	1968	60.00
29	42	**Ruiz Food Products, Inc.**, Tulare, CA	Frederick R. Ruiz	Mexican Food Mfg.	800	1966	56.80
30	47	**Maya Construction Co.**, Tucson, AZ	Roberto C. Ruiz	General Contracting/Engr.	320	1977	55.00
31	36	**Frederick Chevrolet Cadillac, Inc.**, Lebanon, PA	Frederick C. Laurenzo	Auto Dealership	93	1984	54.01
32	39	**Infotec Development, Inc.**, Santa Ana, CA	J. Fernando Niebla	High Tech. Engineering	718	1978	53.12
33	38	**Metro Ford, Inc.**, Miami, FL	Lombardo Perez	Auto Dealerships	123	1983	52.63
34	30	**Gator Industries, Inc.**, Hialeah, FL	Guillermo Miranda, Jr.	Shoe Mfg.	985	1969	52.00
35	50	**Vega Enterprises, Inc.**, Las Vegas, NV	Rafael E. Vega	Food Service/Whls./Sales	110	1983	51.52
36	44	**Avanti Press, Inc.**, Miami, FL	Jose Arriola	Web Offset Printing	380	1965	51.00
37	32	**Colsa, Inc.**, Huntsville, AL	Francisco J. Collazo	Engineering Services	500	1980	50.00
38	27	**La Reina Cos., Inc.**, Los Angeles, CA	Mauro P. Robles, Sr.	Mexican Food Mfg.	550	1958	48.00
39	41	**Ramos Oil Co., Inc.**, West Sacramento, CA	William Ramos	Petroleum Products Dist.	102	1951	46.00
40	60	**AIB Financial Group, Inc.**, Miami, FL	Jose M. Alvarez	Holding Co./Insurance	226	1986	45.60
41	67	**Refricenter of Miami, Inc.**, Miami, FL	Cirilio Hernandez	Air Cond./Supply/Service	155	1971	45.28
42	45	**Business Man's Insurance Corp.**, Miami, FL	Tony M. Sierra	Life/Health Insurance	56	1973	45.00
43	48	**World Travel & Incentives, Inc.**, Minneapolis, MN	Robert L. Cox	Travel Service	140	1975	40.00
44	37	**Angel Echevarria Co., Inc.**, Los Angeles, CA	Angel M. Echevarria	Flotation Mattress Mfg.	310	1966	39.00
45	58	**Cacique, Inc.**, City of Industry, CA	Gilbert L. de Cardenas	Cheese & Meat Mfg./Dist.	195	1974	38.80
46	71	**Mexican Industries in Michigan, Inc.**, Detroit, MI	Henry J. Aguirre	Automotive Trim Mfg.	135	1979	38.06
47	51	**Mason Distributors, Inc.**, Miami, FL	Carlos J. Rodriguez	Vitamins/Healthcare Dist.	220	1967	36.70
48	53	**Gato Distributors**, Miami, FL	Juan A. Galan, Jr.	Wholesale Beer Dist.	128	1986	36.00
49	•	**Barrientos & Associates, Inc.**, Madison, WI	Julian Barrientos	Engr./Architectural Consulting	70	1984	35.50
50	70	**Pacifica Services, Inc.**, Pasadena, CA	Ernest M. Camacho	Civil Engineering	590	1979	35.00

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Hispanic THE 500 Business

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51	57	**1-Day Paint & Body Centers, Inc.**, Torrance , CA	Javier R. Uribe	Auto Painting/Bodywork	650	1967	33.10
52	90	**Spanish Broadcasting System**, New York, NY	Raul Alarcon, Jr.	Radio Stations	150	1983	33.00
53	65	**Magnet Industrial Group, Inc.**, Milford, CT	John Soto	Aircraft Parts Mfg.	300	1970	32.00
54	62	**Popular Ford Sales, Inc.**, Brooklyn, NY	Harry Risso	Auto Dealership	72	1980	31.56
55	•	**The Vincam Group, Miami, FL**	Carlos A. Saladrigas	Diversified Group	1850	1984	30.10
56	49	**Computer Dynamics, Inc.**, Virginia Beach, VA	R. Alan Fuentes	System Integration	450	1979	30.00
57	66	**Reynoso Bros. Int'l**, Vernon, CA	Jose Reynoso	Mexican Food Mfg.	100	1979	30.00
58	74	**Advanced Sciences, Inc.**, Albuquerque, NM	Ed L. Romero	Engineering/Environ. R&D	320	1977	29.60
59	72	**La Cena Fine Foods Ltd.**, Saddle Brook, NJ	Vicente P. Puig	Food Imports/Dist.	92	1963	29.50
60	75	**Best Western Paving Co.**, Walnut, CA	James Ortega	Gen. Engineering/Paving	100	1976	29.00
61	80	**Riana Enterprises, Inc.**, Baton Rouge, LA	Jose R. Tarajano	General Contracting	500	1974	29.00
62	115	**Stadium Lincoln-Mercury**, Youngstown, OH	Flor H. Navarro	Auto Dealership	81	1982	29.00
63	69	**Sanchez O'Brien Oil & Gas Corp.**, Laredo, TX	A.R. Sanchez, Sr.	Oil/Gas Exploration	67	1973	28.00
64	79	**J.T. Slocomb Co.**, S. Glastonbury, CT	E. John Gregory	Aircraft Engine Components	340	1891	27.80
65	88	**El Dorado Furniture Corp.**, Miami, FL	Manuel Capo	Retail Home Furnishings	209	1967	27.61
66	64	**Metro Litho, Inc.**, Moonachie, NJ	Manuel de Torres	Lithographic Repro./Printing	120	1964	27.00
67	56	**M&E Ford Sales, Inc.**, Meriden, CT	Manuel Pombo	Auto Dealership	70	1963	26.75
68	73	**Camino Real Chevrolet**, Monterey Park, CA	Mike A. Hernandez	Auto Dealership	96	1976	26.00
69	•	**Malaco Int'l, Inc.**, San Francisco, CA	Manuel Llama	Petroleum Products/Chemicals	7	1977	26.00
70	81	**All-State Packing Co., Inc.**, San Antonio, TX	Jesse M. Quiroz	Beef Packing	60	1966	25.50
71	87	**Quality Roofing Co., Inc.**, Passaic, NJ	Roger Martin	Roofing Contracting	250	1972	25.20
72	94	**De La Torre Imports, Inc.**, Miami, FL	Homero R. de la Torre	Shoe Importing	15	1977	25.04
73	•• 61	**The Bared & Company, Inc.**, Miami, FL	Jose Bared	Mechanical Contracting	125	1967	25.00
74	89	**Ninfa's, Inc.**, Houston, TX	Roland Laurenzo	Mexican Restaurants	850	1973	25.00
75	•	**Golden Triangle Ford, Inc.**, Eustis, FL	J.C. Thomas	Auto Dealership	66	1980	24.89
76	83	**C&F Foods, Inc.**, City of Industry, CA	Manuel G. Fernandez	Dry Food Dist./Exporting	65	1972	24.64
77	111	**National Systems & Research Co.**, Colo. Springs, CO	Celestino Archuleta	Information Systems Services	488	1980	23.60
78	92	**Sani Serv, Inc.**, Indianapolis, IN	G.E. Aguirre	Ice Cream & Yogurt Mach. Mfg.	170	1977	23.40
79	105	**F. Gavina & Sons, Inc.**, Vernon, CA	Pedro L. Gavina	Specialty Coffee Roasting	98	1967	23.00
80	103	**Rodriguez Festive Foods, Inc.**, Fort Worth, TX	Rudy Rodriguez, Jr.	Mexican Food Mfg.	450	1965	23.00
81	82	**Cantu Services, Inc.**, Burkburnett, TX	Ricardo M. Cantu	Food Service/Restaurant	1150	1981	22.07
82	130	**Dickshire Distributing**, El Paso, TX	Ramiro Guzman	Beer Distributing	95	1988	21.80
83	128	**Paul Young Chevrolet, Inc.**, Laredo, TX	Paul Young	Auto Dealership	86	1941	21.28
84	•	**Matlyn-Stofel Foods, Inc.**, Brooklyn, NY	Roberto Arguello, Sr.	Supermarket Chain	180	1982	21.22
85	96	**Cabo Distributing Co., Inc.**, S. El Monte, CA	Federico Cabo	Beverage/Food Dist.	37	1970	21.00
86	147	**Intercontinental Metals, Inc.**, Miami, FL	Antonio Guedes	Aerospace Metals Dist.	34	1978	21.00
87	110	**North Gables Hospital**, Coral Gables, FL	Darrell Guillory	Health Care	175	1984	21.00
88	100	**S.E.S., Inc.**, West Chicago, IL	Steven L. Martines	Construction Equip.	75	1968	20.79
89	•	**Antillean Marine Shipping Corp.**, Miami, FL	Manolo Rodriguez	Ocean Carrier	78	1963	20.72
90	101	**Abbott Group Ltd.**, Chicago, IL	Nelson Carlo	Holding Company	160	1978	20.00
91	136	**Arga's Mexican Food Products**, Whittier, CA	Robert Arciniaga	Mexican Food Mfg.	300	1959	20.00
92	126	**De Lara Travel Consultants**, Coral Gables, FL	Hector G. de Lara, Jr.	Corporate Travel Agent	42	1974	20.00
93	141	**Mendez Dairy/Tropical Cheese Co.**, Perth Amboy, NJ	Rafael Mendez	Dairy/Cheese Mfg.	65	1982	20.00
94	123	**Candy's Tortilla Factory, Inc.**, Pueblo, CO	Anthony Estrada	Mexican Food Mfg.	380	1982	19.90
95	•	**Interstate Courier, Inc.**, White Plains, NY	Roberto Vilato	Delivery Service	278	1976	19.85
96	84	**Serrot Corp.**, Huntington Beach, CA	Guillermo M. Torres	Pond/Tank Linings	160	1978	19.80
97	106	**Omniplan Corp.**, Culver City, CA	R.E. Montijo, Jr.	Technical/Consult. Service	480	1971	19.68
98	113	**Graphic Productions Co.**, Miami, FL	Noel Hernandez	Printers/Lithography	139	1974	18.80
99	54	**Jimenez Food Products, Inc.**, Fort Worth, TX	Raul Jimenez, Jr.	Mexican Food Mfg.	200	1953	18.80
100	114	**The Washington Consulting Group, Inc.**, Wash., DC	Armando C. Chapelli, Jr.	Management Consulting	275	1979	18.60

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101	108	**Rowland Coffee Roasters, Inc.**, Miami, FL	Jose Souto	Specialty Coffee Roasting	105	1960	18.30
102	•	**Evans Food Products Co.**, Chicago, IL	Alejandro Silva	Snack Food Mfg.	132	1948	18.20
103	•	**De La Fuente Cadillac Peugeot**, El Cajon, CA	Roque de la Fuente	Auto Dealership	42	1980	18.18
104	117	**Terrinvest, Inc.**, Miami, FL	Alejandro Robles	Property Development	20	1977	18.10
105	144	**Barrios Technology, Inc.**, Houston, TX	Emyre B. Robinson	Engr./Tech. Services	420	1980	17.80
106	148	**San Diego Wholesale Electronic**, San Diego, CA	Robert Zamarripa	Electrical Dist.	54	1983	17.50
107	99	**Dynamic Ocean Svs. Int'l, Inc.**, Houston, TX	Alexander G. Arroyos	Customs Broker/Freight Fwdg.	54	1969	17.31
108	129	**Spillis Candela & Partners, Inc.**, Coral Gables, FL	Hilario F. Candela	Interior Design	215	1926	17.19
109	86	**Ocean Dodge & Marine, Inc.**, Oakhurst, NJ	Tony Gomez	Auto/Boat Dealerships	40	1975	17.00
110	120	**Richard Electric Supply Co., Inc.**, Miami, FL	Julian Fernandez, Jr.	Electrical Dist.	62	1962	16.90
111	93	**Town Lake Chrysler Plymouth, Inc.**, Austin, TX	Frank Torrando	Auto Dealership	50	1981	16.86
112	•	**Interamerican Engineers Corp.**, Miami, FL	Enrique A. Pereira	Building Construction	72	1980	16.38
113	•	**Ready State Bank**, Hialeah, FL	Enrique O. Ortiz	Commercial Bank	133	1983	15.94
114	124	**Kemron Environmental Services, Inc.**, McLean, VA	Juan J. Gutierrez	Environmental Consulting	300	1975	15.76
115	138	**Gateway Chevrolet**, Buena Park, CA	Michael A. Padilla	Auto Dealership	55	1978	15.74
116	•	**High Coffee Corp.**, Houston, TX	Antonio Pinero	Coffee Importing	5	1986	15.68
117	173	**Florida Roads Co.**, Miami, FL	Jose M. Nessi	Road Construction	214	1970	15.50
118	179	**Estrella Insurance, Inc.**, Miami, FL	Nicolas Estrella	Insurance	52	1978	15.30
119	•	**C. Sanchez & Sons, Inc.**, Solvang, CA	Clayton Sanchez	General Contracting	50	1952	15.00
120	•	**World Variety Produce Inc**, Los Angeles, CA	Joe V. Hernandez	Wholesale Produce	75	1984	15.00
121	121	**Valley Oldsmobile West, Inc.**, Bakersfield, CA	Remey S. Ortiz	Auto Dealership	53	1983	14.92
122	•	**McBride, Inc.**, Albuquerque, NM	Teresa McBride	Computer Products/Services	27	1985	14.80
123	257	**JCI Environmental Services**, Los Angeles, CA	Julian Carrasco	Hazardous Waste Disposal	50	1969	14.70
124	•	**Super Mex, Inc.**, Sun Valley, CA	James V. Gonzalez	General Contracting	65	1975	14.70
125	149	**Ed Cordero Chevrolet**, Pacifica, CA	Edward C. Cordero	Auto Dealership	40	1960	14.50
126	176	**Gonzalez Design Engineering**, Madison Hts., MI	R.J. Gonzalez	Engineering Consulting	335	1975	14.40
127	131	**Heritage Buick-GMC Truck, Inc.**, East Providence, RI	Robert J. Benitez	Auto Dealerships	35	1980	14.34
128	139	**All Modes Transport, Inc.**, Elizabeth, NJ	Anthony Ruiz	Air/Surface Transportation	95	1983	14.30
129	157	**Cottage Development**, San Clemente, CA	David G. Gutierrez	Residential Development	6	1983	14.10
130	•	**Crown Worldwide Moving & Storage**, San Leandro, CA	Carlos da Costa	Household Goods Relocation	62	1972	14.00
131	135	**Gancedo Lumber Co.**, Miami, FL	Martin Perez	Hardware & Building Material	85	1969	14.00
132	125	**Government Micro Resources**, Chantilly, VA	Humberto A. Pujals	Microcomputers Support	29	1981	13.80
133	•	**Packaging Service Co., Inc.**, Pearland, TX	Gabriel Baizan	Solvent/Chemical Packaging	37	1971	13.76
134	186	**Chaides Construction Co., Inc.**, Fremont, CA	Rudy Chaides	General Contracting	50	1962	13.50
135	•	**Melloul Travel Consultants**, Coral Gables, FL	Sonia Delgado	Travel Management	20	1981	13.50
136	145	**Interamerican Bank FSB**, Miami, FL	Agustin C. Velasco	Commercial Bank	63	1976	13.48
137	221	**Balli/Gomez & Assoc.**, Brownsville, TX	Rudy V. Gomez	Architecture	5	1977	13.20
138	182	**CMA, Inc.**, El Paso, TX	Robert Ortega	Construction Management	90	1983	13.20
139	•	**All City Electrical Supply**, Artesia, CA	Irma Maria Z. De Johnson	Electrical Dist.	46	1977	13.10
140	170	**Albert H. Halff Assoc., Inc.**, Dallas, TX	Jose I. Novoa	Civil Engineering	200	1954	13.00
141	178	**Las Vegas Fertilizer Co., Inc.**, N. Las Vegas, NV	George Jaramillo	Lawn/Garden Prod. Dist.	35	1944	13.00
142	127	**Marsden Reproductions, Inc.**, New York, NY	Frank Flores	Printing/Graphics	200	1950	13.00
143	140	**Robert Arranaga & Co., Inc.**, Los Angeles, CA	Robert C. Arranaga	Food Service/Dist.	50	1957	13.00
144	153	**Jay Automotive Specialties, Inc.**, Berlin, PA	John A. Sotomayor	Automotive Parts	81	1976	12.95
145	192	**Valverde Construction, Inc.**, Santa Fe Springs, CA	Joe A. Valverde	Underground Construction	55	1972	12.93
146	143	**Far West Meats**, Highland, CA	Michael Serrato	Wholesale Meat	50	1962	12.90
147	185	**Scion Steel, Inc.**, Warren, MI	Carlos E. Hurches	Steel Dist.	23	1984	12.70
148	•	**Solvents & Chemicals, Inc.**, Pearland, TX	Gabriel Baizan	Solvents/Chemicals Dist.	13	1981	12.60
149	166	**Development Assoc., Inc.**, Arlington, VA	Leveo V. Sanchez	Mgmt./Gov't. Consult.	115	1969	12.50
150	162	**Cardenas Motors, Inc.**, Brownsville, TX	Renato E. Cardenas	Auto Dealerships	45	1971	12.48

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1989	1988	Company and Location	Chief Executive	Type of Business	Employees	Started	Sales*
151	195	**Corro-Flo Engineering, Inc.**, Louisville, KY	Guillermo J. Vanegas	Plastic Pipes/Ventilation	83	1972	12.30
152	205	**Economy Laundries**, El Paso, TX	J.C. Viramontes	Industrial Laundry	400	1972	12.21
153	142	**Martin Metal Finishing, Inc.**, Lynwood, CA	Pete Martin	Architectural Finishing	213	1965	12.06
154	158	**Baca Motors, Inc.**, Belen, NM	Ruben Albert Baca	Auto Dealership	38	1979	12.00
155	187	**S.O.S. Office Systems, Inc.**, Pinellas Park, FL	Mitchell A. Meana	Office Machines	129	1972	12.00
156	150	**Cordova Bolt, Inc.**, Buena Park, CA	Moses E. Cordova	Nut/Bolt/Screw Dist.	46	1975	11.93
157	•	**M/G Electric Co.**, Medley, FL	Manuel Garcia, Jr.	Electric Motor Sales/Service	150	1971	11.51
158	172	**Sardo Corp.**, Novi, MI	Vincent Doa, Sr.	Concrete Construction	110	1956	11.50
159	207	**R&R Masonry, Inc.**, North Hollywood, CA	Rennie Tejeda	Masonry Contracting	85	1963	11.43
160	159	**Union General Insurance Co.**, Miami, FL	Julio E. Marty	Auto Insurance	52	1965	11.38
161	152	**Southern Volkswagen & Olds.**, Waldorf, MD	Agustin F. Otero	Auto Dealership	42	1970	11.31
162	211	**Allstate Specialty Services, Inc.**, Long Island City, NY	Rey J. Nieto	Janitorial/Painting	400	1980	11.30
163	•	**Comprehensive Technologies Int'l**, Chantilly, VA	Celestino M. Beltran	Software Development	205	1980	11.30
164	184	**AMPAC**, Rancho Cucamonga, CA	Alvaro Bea	Pipe Mfg.	65	1966	11.29
165	•	**Allee Construction Co., Inc.**, Los Angeles, CA	Oscar Bracamonte	General Contracting	45	1973	11.27
166	263	**Oscar Ortega Ranches**, Thermal, CA	Oscar J. Ortega	Table Grape Grower	1000	1975	11.25
167	193	**Chihuahua, Inc.**, Fresno, CA	J. Frank Villegas	Mexican Food Mfg.	300	1954	11.24
168	212	**H-R Industries, Inc.**, Richardson, TX	Paul R. Dickinson	Circuit Board Mfg.	100	1976	11.23
169	196	**Titan Rubber & Supply Co., Inc.**, San Jose, CA	David M. Rodrigues	Industrial Rubber	27	1976	11.16
170	223	**The Apodaca Company**, El Paso, TX	Victor Apodaca, Jr.	Nationwide Surety Bonds	16	1938	11.01
171	208	**Andes Chemical Corp.**, Miami, FL	Fernando Espinosa	Chemicals Dist.	5	1986	11.00
172	189	**Corella Electric, Inc.**, Phoenix, AZ	John C. Corella	Electrical Contracting	45	1978	11.00
173	168	**Delma Construction Co., Inc.**, Bronx, NY	Emanuel Ciminello, Jr.	General Contracting	100	1976	11.00
174	232	**Securiguard, Inc.**, Mclean, VA	Patricia de L. Marvil	Security Guard Service	525	1982	10.92
175	204	**Phar Med Sales int'l**, Miami , FL	Carlos M. de Cespedes	Pharmaceutical & Med. Supplies	18	1981	10.87
176	•	**Solares Florida Corp.**, Miami, FL	Alberto E. Solares	Industrial Process Equip.	28	1975	10.79
177	133	**Project Advisors Corp.**, Miami, FL	Linda F. Estevez	Const./Property Mgmt.	100	1975	10.78
178	174	**Miramar Electric Supply Co.**, Miami, FL	Hector M. Rivero	Electrical Prod. Dist.	22	1974	10.75
179	156	**Airparts Co., Inc.**, Wichita, KS	Marta E. Maxwell	Aircraft Parts	34	1963	10.53
180	227	**Algus Enterprises, Inc.**, Miami, FL	Gustavo Lima	Tires/Tubes Dist.	16	1974	10.50
181	199	**Interamerican Trading & Produce**, Miami, FL	Claudio Feuermann	Frozen Seafood Importing	3	1983	10.50
182	177	**Proftech Corp.**, Tarrytown, NY	Jose R. Montiel	Office Supplies/Equipment	65	1980	10.50
183	209	**Uni-Boring Co., Inc.**, Livonia, MI	Facundo Bravo	Precision Machining	100	1972	10.50
184	297	**Beagle Products, Inc.**, Miami, FL	Rafael Puga	Seafood Importing	4	1987	10.20
185	183	**Salazar Construction, Inc.**, Corpus Christi, TX	I.C. Salazar	General Contracting	90	1934	10.11
186	146	**Siboney Int'l Corp.**, West Palm Beach, FL	Enrique J. Tomeu	Fertlilizer/Trucking	16	1972	10.08
187	77	**BEC Construction Corp.**, Miami, FL	Francisco C. Espinosa	General Contracting	50	1970	10.04
188	•	**Phoenix Marine Enterprises, Inc.**, Hialeah, FL	Frank Piedra	Fiberglass Boat Mfg.	105	1976	10.01
189	229	**Casa Herrera, Inc.**, Los Angeles, CA	Alfred J. Herrera	Food Processing Equip. Mfg.	125	1954	10.00
190	315	**Cumbre, Inc.**, Upland, CA	James Contreras	Insurance Underwriting	16	1986	10.00
191	287	**La Flor Produce Co., Inc.**, Brooklyn, NY	Ruben LaTorre	Spice Mfg./Dist.	150	1962	10.00
192	188	**Orange Coast Electric Supply Co.**, Santa Ana, CA	Jim Espinosa	Electrical Supplies Dist.	29	1980	10.00
193	160	**XCL Financial Services**, Santa Ana, CA	Luis A. Torres, Jr.	Investments/Insurance	2	1986	10.00
194	327	**Hugo's Cleaning Service, Inc.**, Lisle, IL	Hugo Pascual	Janitorial Services	450	1971	9.99
195	134	**Sapper Construction Co.**, San Diego, CA	E.H. Sapper	General Contracting	75	1959	9.99
196	245	**Computer Resource Management, Inc.**, Herndon, VA	Ervin E. Torrez	Computer Software Services	180	1978	9.98
197	203	**McLean Cargo Specialists, Inc.**, Humble, TX	Angel F. Jimenez	Int'l Freight Forwarding	62	1970	9.87
198	254	**E.T. LaFORE, Inc.**, Denver, CO	E.T. LaFore	General Contracting	45	1977	9.80
199	224	**Bi-State Packaging, Inc.**, Milan, IL	Robert Ontiveros	Whsl. Packing Material	30	1974	9.72
200	171	**Henry Valencia, Inc.**, Espanola, NM	Henry Valencia	Auto Dealership	45	1980	9.69

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Hispanic THE 500 Business

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201	321	Ferrous Metal Processing, Inc., Brooklyn, OH	Eduardo Gonzalez	Sheet Metal Processing	120	1983	9.60
202	253	South Florida Health Alliance, Miami, FL	William A. Baldwin	Medical Supplies	18	1983	9.52
203	163	HSL Properties, Tucson, AZ	Humberto S. Lopez	Property Development	90	1975	9.50
204	206	La Rosa Del Monte Express, Inc., Bronx, NY	Hiram Rodriguez	Moving/Shipping	125	1980	9.50
205	•	Metro Beer & Soda Distributors, Inc., Bronx, NY	Carlos D. Nazario, Jr.	Beverage Dist.	15	1985	9.50
206	191	Northeast Commonwealth, Inc., Lakewood, NJ	Juan A. Gutierrez	Heavy Construction	[illegible]	1978	9.49
207	238	Savala Construction Co., Inc., Irvine, CA	Leonard Savala	Underground Contracting	[illegible]	1951	9.30
208	197	Consol. Steel & Alum. Fence Co., Inc., Kenilworth, NJ	Paul Cacicedo	Fence Installation	44	1958	9.29
209	259	Lopez Travel, San Diego, CA	Frank J. Costa	Travel Agency	35	1972	9.25
210	•	Alamex, Inc., Theodore, AL	Enrique Gomez Palacio	Bulk Terminal/Warehousing	21	1983	9.17
211	220	Rosas Computer Co., Inc., Corpus Christi, TX	Leo Rosas	Computer Sales	66	1983	9.12
212	242	South Coast Drywall, Inc., Houston, TX	David K. Melam, Sr.	General Contracting	175	1971	9.05
213	167	Amerinsurance, Inc., Miami, FL	Leslie P. Pantin	Insurance	30	1982	9.00
214	•	Plastec U.S.A., Inc., Miami, FL	Hector V. Sosa	Plastic/Chemical Sales	9	1985	9.00
215	333	Scientech, Inc., Idaho Falls, ID	L.J. Ybarrondo	Engineering/Mgt. Consulting	128	[illegible]	9.00
216	281	Tramex Travel, Austin, TX	Juan Portillo	Travel Services	34	1984	9.00
217	•	Cavazos Candy Prod. & Groc. Whsl., Inc., Laredo, TX	Ruben Cavazos, Sr.	Produce/Grocery Dist.	61	1976	8.93
218	230	Saez Refrigeration, Inc., Miami, FL	Pedro Justo Saez	Air Conditioning/Refrig.	90	1977	8.90
219	213	Sausedo Metal Products, Inc., San Jose, CA	Robert Sausedo	Metal Products Mfg.	[illegible]	1973	8.88
220	218	Growers Ford Tractor Co., Miami, FL	Norberto H. Lopez	Tractor Dealership	35	1957	8.70
221	•	**TR Cos., Houston, TX	Evan Reindl	Personnel Services	[illegible]	1984	8.68
222	313	G. Valdes Enterprises, Inc., Palatine, IL	Gilberto Valdes	Janitorial Services	[illegible]	1973	8.60
223	216	Captree Chemical Corp., West Babylon, NY	Ernest P. Gonzalez	Chemical Dist.	30	1977	8.50
224	258	City Wide Security Services, Inc., Brooklyn, NY	Pedro L. Perez	Security Services/Equip.	325	1972	8.50
225	240	Anchor Fence Wholesale Of Miami Corp., Hialeah, FL	Oscar Torres	Fence Products	25	1974	8.41
226	202	Quality Printed Circuits Corp., Phoenix, AZ	Robert L. Gonzalez	Circuit Board Mfg.	119	1974	8.29
227	•	American Technical Suppliers, Inc., Miami, FL	Hector J. Betancourt	Airline Engine Parts	13	1980	8.23
228	••	Sosa & Assoc., San Antonio, TX	Lionel Sosa	Advertising Agency	51	1981	8.22
229	•	Lucero & Assoc., Inc., Idaho Falls, ID	Yvonne R. Lucero	Computer Sales/Service	16	1984	8.13
230	283	Alaniz & Sons, Inc., Mt. Pleasant, IA	Salvador Alaniz, Sr.	Direct Mail Services	379	1978	8.03
231	•	General Transistor Corp., Inglewood, CA	Al A. Barrios	Transistor Mfg./Dist.	22	1978	8.00
232	266	Home Educ. Livelihood Prog., Inc., Albuquerque, NM	Ernest E. Ortega	Social Services	110	1965	8.00
233	•	Rose Cooperage Co., Montebello, CA	Thys Dorenbosch	Drums/Containers Mfg.	100	1904	8.00
234	•	Northbrook Computers, Inc., Northbrook, IL	Carlos M. Frum	Computer Dealership	20	1980	7.95
235	302	Chem-Tech Systems, Inc., Los Angeles, CA	Connie Carrasco	Chemical Storage Facility	40	1980	7.86
236	•	Creative Assoc. Int'l., Inc., Washington, DC	M. Charito Kruvant	Management Consulting	100	1977	7.70
237	280	Pressure Systems, Inc., Hampton, VA	Douglas B. Juanarena	Pressure Measurement Instr.	96	1977	7.70
238	262	Arroyo Process Equipment, Clearwater, FL	Frank Arroyo	Pump Dist.	19	1980	7.65
239	222	Arbor Tree Surgery, Paso Robles, CA	Steven G. Alvarez	Tree Trimming/Removal	450	1980	7.64
240	269	Valco Construction Co., Inc., Glendale, AZ	Rafael L. Valenzuela	General Contracting	9	1974	7.55
241	366	Campos Construction Co., Omaha, NE	Robert Campos	General Contracting	48	1977	7.50
242	298	Independent Forge Co., Orange, CA	Rosemary Ruiz	Aluminum Forging	82	1975	7.50
243	251	RMT Landscape Contractors, San Leandro, CA	Rick DeHerrera	Landscape Contracting	100	1977	7.50
244	342	Air Conditioning Systems, Inc., La Habra, CA	Donald E. Cervantes	A/C Contracting	49	1946	7.40
245	299	P&E Terminal Co., Inc., Wilmington, CA	Elisa J. Aguilera	Bonded Warehouse	83	1970	7.37
246	311	Sun Eagle Corp., Chandler, AZ	Martin Alvarez	General Contracting	28	1978	7.36
247	151	G.S.E. Construction Co., Inc., Livermore, CA	Orlando Gutierrez	General Contracting	42	1980	7.34
248	247	Surface Prep. & Coating Ent., Inc., Baton Rouge, LA	Luis J. Gonzalez	General Contracting	200	1977	7.30
249	268	Millhorn Chemical & Supply Co., Maywood, CA	Ralph Marrujo	Chemical Dist.	22	1954	7.27
250	•	Pueblo Broadcasting Corp., Houston, TX	J. Adan Trevino	Television Advertising	46	1984	7.26

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1989	1988	Company and Location	Chief Executive	Type of Business	Employees	Started	Sales*
251	329	**Ernie Sandoval Enterprises, Inc.**, Oceanside, CA	Ernie Sandoval	Restaurant Chain	250	1983	7.20
252	265	**P&A, Inc.**, Farmington, NM	Isaac F. Padilla	Oil & Gas Equip.	85	1970	7.20
253	201	**Tele-Signal Corp.**, Hauppauge, NY	Esteban Taracido	Electronics Mfg.	55	1976	7.20
254	351	**JJJ Floor Covering, Inc.**, Whittier, CA	Jose Gutierrez	Carpet/Floor Covering	35	1964	7.10
255	•	**Marco Garza Chevrolet**, Rio Grande, TX	Marco A. Garza	Auto/Truck Dealership	40	1986	7.09
256	274	**Martinez & Turek, Inc.**, Riverside, CA	Larry R. Tribe	Machine Shop	93	1980	7.05
257	•	**Electrical Power Products**, Santa Clara, CA	Kytcher Whyte	Switch Gear Mfg.	35	1975	7.00
258	237	**Everglades Steel Corp.**, Miami, FL	Orlando A. Gomez	Steel Dist.	10	1974	7.00
259	217	**Hollywood Travel, Inc.**, Hollywood, FL	Henry Yaniz	Travel Services	26	1962	7.00
260	•	**Miranda Assoc., Inc.**, Washington, DC	Lourdes Miranda	Int'l Management Services	30	1975	7.00
261	335	**Televideo San Diego**, San Diego, CA	Linda Stepp	Video/Audio Equip.	24	1978	7.00
262	234	**Torres, Inc.**, Mountain View, CA	Jess G. Torres	Concrete Construction	45	1955	7.00
263	255	**Torres Electrical Supply Co.**, Inc., Stuart, FL	Oscar L. Torres, Sr.	Electrical Equip./Supplies	13	1971	6.95
264	285	**Hurlen Corp.**, Santa Fe Springs, CA	I. Jay Hurtado	Metal Service Center	30	1981	6.80
265	292	**North American Trade Corp.**, Houston, TX	Jorge Guiloff	Export/Importing	13	1984	6.75
266	314	**Castro-Blanco Piscioneri & Assoc.**, New York, NY	David Castro-Blanco	Architecture/Engr.	70	1965	6.70
267	225	**Southwest Office Systems, Inc.**, Ft. Worth, TX	Victor Puente	Office Equipment/Supplies	103	1964	6.70
268	243	**Touche Mfg., Inc.**, San Jose, CA	Antonio Zertuche	Metals Mfg.	120	1972	6.70
269	273	**R&D Development, Inc.**, Chicago, IL	Manuel Rodriguez	General Contracting	65	1977	6.62
270	276	**San Antonio Press, Inc.**, San Antonio, TX	Jose H. Medellin	Printing	80	1975	6.60
271	319	**Pre Con Products Ltd.**, Simi Valley, CA	David Zarraonandia	Precast Concrete Products	45	1963	6.51
272	228	**A'Leon Business Systems, Inc.**, Miami, FL	Abilio Leon	Office Equipment Sales	75	1974	6.50
273	415	**L&M Technologies, Inc.**, Albuquerque, NM	A.R. Montoya	Engineering	180	1972	6.50
274	•	**Main Line Foto, Inc.**, Conshohocken, PA	Carlos M. Roca	Photographic Product Sales	18	1983	6.50
275	316	**Rivasal Int'l**, Cincinnati, OH	Luis O. Riva Saleta	Int'l Marketing	3	1982	6.50
276	•	**Smith & Aguirre Constr. Co., Inc.**, Las Cruces, NM	Stephen Aguirre	Heavy Construction	92	1962	6.46
277	309	**Del Rey Chemical, Inc.**, Alvin, TX	George S. Hernandez	Chemical Dist.	9	1978	6.42
278	312	**Reza Bros. Construction, Inc.**, El Paso, TX	Jesus Reza	General Contracting	7	1981	6.40
279	264	**Robert Escudero, Inc.**, Pasadena, CA	Robert Escudero	General Contracting	45	1978	6.40
280	306	**Raymor Electric Co., Inc.**, Baldwin Park, CA	Raymond C. Morales	Electrical Contracting	50	1978	6.39
281	336	**Intra-American Found. & Drilling Co., Inc.**, Phoenix, AZ	Salvador H. Altamirano	Foundation Construction	45	1986	6.37
282	•	**OCS Transports, Inc.**, Houston, TX	George Ortiz	Trucking Services	95	1988	6.30
283	305	**Nelson Maintenance Service, Inc.**, Yonkers, NY	Nelson Gisbert	Janitorial Services	150	1976	6.20
284	•	**Technical Telephone Systems, Inc.**, Staten Island, NY	George Cruzado	Telecom. Systems Sales/Service	73	1980	6.20
285	296	**Manny Varas & Assoc.**, Miami, FL	Manny Varas	Insurance	704	1976	6.10
286	•	**Texas Beauty Distributors**, Houston, TX	Ted A. Gutierrez	Beauty Products Dist.	58	1979	6.03
287	•	**Arcom Electronics, Inc.**, San Jose, CA	Armando Garcia	Data Com. Hardware Dist.	30	1985	6.01
288	340	**Los Angeles Blow Molding Co., Inc.**, Commerce, CA	Hugo A. Bastidos	Plastic Mfg.	120	1970	6.00
289	388	**Paramount, Inc.**, Willowick, OH	Edward J. Alvarez	Employment Service	300	1968	6.00
290	331	**Super Brite Screw Corp.**, Hialeah, FL	Felix Infiesta	Bolts/Nuts/Screws Dist.	55	1978	6.00
291	322	**Heavy Truck Service, Inc.**, Miami, FL	Rafael Perez	Trucking Services	27	1969	5.82
292	390	**Sound Electric Corp.**, Bronx, NY	Lawrence Rego	Electrical Contracting	51	1981	5.80
293	318	**Losada Truck & Equipment, Inc.**, Miami, FL	Jorge Losada	Truck Dealership	8	1967	5.72
294	301	**Original Impressions, Inc.**, Miami, FL	Roland B. Garcia	Graphics/Printing	104	1982	5.65
295	343	**Centinel Bank of Taos**, Taos, NM	Martin E. Romero	Commercial Bank	48	1969	5.63
296	282	**Roses Southwest Papers, Inc.**, Albuquerque, NM	Roberto E. Espat	Paper Mfg.	23	1984	5.60
297	271	**Armadillo Construction Co., Inc.**, Laredo, TX	Robert P. Gutierrez	General Contracting	8	1974	5.59
298	•	**Textile Machines Imp. Exp. Co., Inc.**, Roebuck, SC	Victor Lebron	Textile Machine Sales	25	1978	5.58
299	•	**La Pizza Loca, Inc.**, Buena Park, CA	Alex Meruelo	Pizza Restaurents	800	1986	5.57
300	214	**Apollo Design Services, Inc.**, Haverhill, MA	Mel Velez	Contract Technical Supplies	178	1983	5.50

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301	355	**Electrical Contractors of California**, El Segundo, CA	John Razonable	Electrical Contracting	58	1978	5.50
302	453	**Gilram Supply, Inc.**, Houston, TX	Sigrid Terc	Elect. Components Exporting	15	1980	5.50
303	339	**Glasco Industries, Inc.**, Miami, FL	Jesus M. Martinez	Glass Dist.	39	1977	5.50
304	•	**Reed Candle Co.**, San Antonio, TX	Peter N. Reed	Candle Mfg.	75	1937	5.50
305	447	**Tamez-Thomas, Inc.**, Houston, TX	George Tamez	Masonry Contracting	125	1985	5.50
306	402	**Aztec Plastic Corp.**, Mt. Clemens, MI	Edward M. Raquel	Automotive Plastic Products	75	1979	5.40
307	400	**Intercontinental Marble Corp.**, Miami, FL	Gerardo Diaz	Granite/Marble Floor Products	9	1983	5.40
308	293	**CSR Construction Corp.**, Nutley, NJ	Francisco J. Salas	Architectural Services	30	1982	5.39
309	294	**Dixie Numerics, Inc.**, Lake City, GA	R.A. Suarez	Auto Tool Mfg.	69	1961	5.34
310	372	**Diaz Wholesale & Mfg. Co., Inc.**, Atlanta, GA	Rene M. Diaz	Food Service Dist.	27	1980	5.30
311	•	**Ranon & Jimenez, Inc.**, Tampa, FL	Jose A. Ranon	General Contracting	35	1930	5.26
312	•	**Simdex Co., Inc.**, Houston, TX	Dion Padin	Vocational/Technical School	140	1985	5.23
313	385	**A&R Janitorial Services, Inc.**, Cicero, IL	Angelo Velasquez	Janitorial Services	450	1967	5.20
314	364	**Future Packaging, Inc.**, Santa Clara, CA	Rufino A. Vega	Packing/Crating Service	70	1973	5.20
315	416	**Ram Enterprises, Inc.**, Valencia, CA	Marline Monstein	Electronic Cable Mfg.	21	1965	5.20
316	451	**Apache Construction Co., Inc.**, Albuquerque, NM	Mariano Chavez, Jr.	General Contracting	30	1981	5.18
317	391	**Shifa Services, Inc.**, Hackensack, NJ	Jorge A. Haedo	Janitorial Services	210	1980	5.16
318	341	**U.S. Guards Co., Inc.**, Los Angeles, CA	Ernest A. Padilla	Security Guard Service	325	1947	5.13
319	369	**Techniserv Data Systems, Inc.**, Teaneck, NJ	Lufti G. Mansoor	Data Processing Equip.	13	1974	5.10
320	357	**Cisco Electrical Supply Co.**, Columbus, OH	Francisco J. Muguruza	Electrical Dist.	9	1978	5.05
321	393	**Ruiz Mexican Foods, Inc., Ontario, CA	Edward F. Ruiz	Mexican Food Mfg.	105	1950	5.02
322	375	**Borbon, Inc.**, Buena Park, CA	David Morales	Painting/Wall Covering	60	1976	5.00
323	328	**CHCG Architects, Inc.**, Montclair, CA	Armando L. Gonzalez	Architectural Services	60	1964	5.00
324	•	**Cordoba Corp.**, Los Angeles, CA	George L. Pla	Systems Devel. Consulting	100	1983	5.00
325	304	**The Diaz Corp.**, Jay, ME	Jose W. Diaz	General Contracting	58	1978	5.00
326	363	**El Rey Sausage Co., Inc.**, Vernon, CA	Laura Balverde-Sanchez	Sausage Mfg.	51	1983	5.00
327	346	**Ideal Industrial Electronic Supply, Inc.**, El Paso, TX	Tony Rodriguez	Electronic Dist.	12	1974	5.00
328	•	**Jackie O's, Inc.**, Coral Gables, FL	Juan Delgado	Burger King Franchises	120	1981	5.00
329	•	**Los Ranchos Restaurant, Inc.**, Miami, FL	Juan Wong, Jr.	Steakhouse Restaurant	150	1981	5.00
330	288	**Pamtours, Inc.**, New York, NY	Alvaro Pena	Travel Services	10	1965	5.00
331	•	**Thermionics Laboratory, Inc.**, Hayward, CA	John J. Trujillo	Ultra/High Vacuum Products Mfg.	80	1961	5.00
332	•	**Pride General Contractors**, Los Angeles, CA	Ray Rodriguez	General Contracting	1	1989	4.99
333	278	**La Salle Trucking Co.**, Chula Vista, CA	J. Frank la Salle	Transportation	46	1933	4.96
334	•	**Durazo Construction, Inc.**, Tucson, AZ	Carlos M. Hernandez	General Contracting	35	1983	4.92
335	226	**Vasallo Construction, Inc.**, Miami, FL	Pedro Vasallo	General Contracting	23	1973	4.86
336	••	**Galindo Financial Corp.**, Bell, CA	Rafael Galindo	Real Estate Sales	102	1973	4.84
337	260	**Avila Financial Group**, Los Angeles, CA	Raul Avila	Property Development	8	1984	4.80
338	•	**Chicago United Industries Ltd.**, Chicago, IL	George Loera	Municipal Contract Consulting	4	1986	4.80
339	394	**Ortiz Bros. Insulation, Inc.**, Baytown, TX	Tino Ortiz	Insulation Contracting	100	1980	4.77
340	•	**Agromex, Inc.**, Theodore, AL	Enrique Gomez Palacio	Manganese Sulphate Importing	4	1986	4.75
341	•	**Quality Foam Packaging, Inc.**, Irwindale, CA	Noel Castellon	Custom Foam Packaging	85	1973	4.73
342	489	**Modern Sanitation Systems, Inc.**, East Orange, NJ	Sergio Benvenuto, Sr.	Janitorial Services	220	1981	4.70
343	•	**Tru & Assoc., Inc.**, Huntington Beach, CA	Rudolpho A. Trujillo	Petroleum Products/Coal Dist.	3	1983	4.70
344	373	**Deupi & Assoc., Inc.**, Washington, DC	Carlos Deupi	Architecture/Int. Design	60	1968	4.62
345	•	**Offshore Traders, Inc.**, Miami, FL	Robert G. Weller	Indust. Machinery/Supplies	8	1980	4.60
346	398	**Advanced Data Concepts, Inc.**, Portland, OR	Frank E. Rivera	Computer Systems	190	1978	4.59
347	275	**Alamo Technology, Inc.**, San Antonio, TX	Doroteo Chavarria	Engineering/Mfg.	50	1981	4.58
348	137	**Paco Enterprises, Inc.**, Davenport, IA	Frank L. Granados	Computer Support Services	73	1974	4.55
349	334	**Pan American Frozen Foods, Inc.**, Miami, FL	Lazaro R. Munarriz	Frozen Foods Dist.	7	1972	4.54
350	•	**Mesa Brothers, Inc.**, Miami, FL	Roberto Mesa	Electrical Contracting	139	1976	4.52

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351	458	**Upsilon Corp.**, Denton, TX	Julio G. Lence	Auto Dealership	17	1970	4.52
352	359	**Cardenas/Fernandez & Associates**, Chicago, IL	Henry Cardenas	Special Events/Marketing	10	1981	4.50
353	409	**Meta, Inc.**, Miami, FL	Maria Elena Torano	Consulting Services	42	1979	4.50
354	443	**North Shore & Cent. Ill. Freight Co.**, Forest View, IL	David P. Hernandez	Trucking Services	49	1930	4.50
355	498	**TAG Electric Co.**, Houston, TX	Thomas A. Gonzales	Electrical Contracting	75	1986	4.50
356	348	**Web Masters, Inc.**, City of Industry, CA	Richard Geravito	Advertising/Printing	89	1980	4.50
357	380	**Pete Gallegos Paving, Inc.**, Laredo, TX	Pete Gallegos	Street Paving	90	1973	4.40
358	384	**Valdez Transfer, Inc.**, Phoenix, AZ	Ted Valdez	Moving/Storage	100	1957	4.40
359	354	**Sandoval Dodge**, Las Cruces, NM	Rudy Sandoval	Auto Dealership	25	1969	4.39
360	365	**G&D Aircraft Parts**, Pomona, CA	Fred Saldana, Jr.	Foundry/Alum. Casting	70	1966	4.36
361	•	**Gabe Mendez, Inc.**, Newcastle, CA	Gabriel Mendez	General Contracting	45	1974	4.34
362	338	**Belco Resources, Inc.**, Eastchester, NY	John J. Cuadrado	Export/Chemicals	8	1974	4.30
363	408	**Editorial Cernuda, Inc.**, Miami, FL	Ramon Cernuda	English Courses	36	1977	4.22
364	406	**Molzen-Corbin & Assoc.**, Albuquerque, NM	Adelmo E. Archuleta	Architecture/Engr.	67	1960	4.22
365	•	**Carrillo Cement Contractor, Inc.**, Anaheim, CA	Ray Carrillo	Concrete Contracting	45	1978	4.21
366	•	**J.R. Food Service, Inc.**, Chino, CA	Richard Fierro Duran	Food Services	17	1981	4.20
367	•	**Power Energy Industries**, Carson, CA	Ernest R. Schoop	Electrical Equipment Mfg.	65	1980	4.20
368	370	**Telesound Systems Corp.**, Miami, FL	Peter E. Padron	Business Phone Systems	36	1975	4.20
369	392	**Tejas Office Products, Inc.**, Houston, TX	Jorge A. Haedo	Office Supply Sales	20	1962	4.15
370	428	**Cave Imaging Systems, Inc.**, Santa Clara, CA	Eduardo Cabrera	Security Services	140	1986	4.13
371	291	**Protec, Inc.**, Miami, FL	Alfredo Sotolongo	A/C Product Supplies	21	1971	4.13
372	386	**Balado National Tires, Inc.**, Miami, FL	Manuel Balado	Retail Tires	26	1962	4.11
373	349	**Beam Radio, Inc.**, Miami, FL	Manuel Alvarez, Sr.	Radio Communication	15	1976	4.10
374	350	**Portland Mailing Services, Inc.**, Portland, OR	David P. Torres, Jr.	Direct Mail Services	100	1940	4.07
375	431	**A/S/K Assoc., Inc.**, Lawrence, KS	Ken Martinez	Computers	200	1979	4.00
376	456	**Carabie Corp.**, Bronx, NY	Ernest Sanchez	Sandblasting & Painting	50	1976	4.00
377	405	**Certified Fasteners, Inc.**, Santa Fe Springs, CA	Linda Frias	Nuts/Bolts/Screws Mfg.	15	1969	4.00
378	•	**Deneba Systems, Inc.**, Miami, FL	Manuel E. Menendez	Microcomputer Software Mfg.	30	1986	4.00
379	•	**E.A. Mendoza Contracting**, Cerritos, CA	Ernest Mendoza	General Engineering	24	1980	4.00
380	326	**Equity Temporary Services**, New York, NY	Miriam Arias	Temporary Personnel Services	10	1985	4.00
381	395	**Florida Desk, Inc.**, Oviedo, FL	Tom Suarez	Office Furniture	40	1979	4.00
382	374	**Hydro-Pneumatics, Inc.**, Deer Park, NY	Gerard F. Lopez	Hydraulic/Pneumatic Valves	18	1964	4.00
383	•	**Olsen & Guerra Lumber Co.**, Houston, TX	J.O. Guerra, Sr.	Building Materials Supply	30	1957	4.00
384	411	**Orange County Name Plate Co.**, Santa Fe Springs, CA	Elias Rodriguez	Graphic Art	93	1965	4.00
385	•	**Personnel Contractors, Inc.,**** Minneapolis, MN	F. de Leon	Temporary Personnel Services	30	1974	4.00
386	371	**Signet Paper Co.**, Los Angeles, CA	Ignacia Mejia	Printing Paper Mfg.	15	1967	4.00
387	454	**Tampa Brass & Aluminum Corp.**, Tampa, FL	Sam S. Leto, Jr.	Brass/Alum. Products Mfg.	85	1957	4.00
388	379	**Mirta De Perales, Inc.**, Coral Gables, FL	Mirta Raya Perales	Beauty Product Dist.	30	1964	3.98
389	387	**Russ Pitney Earthmoving Co., Inc.**, Albuquerque, NM	Ernest Blair	Earth Moving	30	1948	3.95
390	383	**Craftsmen Corp.**, Smithtown, NY	Alejandro Salas	Integrated Logistics	42	1977	3.90
391	332	**Orso Superior Enterprises Corp.**, Key Biscayne, FL	James A. Ortiz	Int'l Sales	´5	1979	3.90
392	430	**AVG, Inc.**, Valencia, CA	Alvaro J. Villa	Robotics Equipment	40	1978	3.80
393	448	**M&M Automated Services Corp.**, Amherst, NH	Marlene M. Monnar	Computer Supplies	8	1982	3.80
394	••	**Siboney Advertising**, New York, NY	Jose M. Cubas	Advertising Agency	49	1983	3.75
395	•	**Centennial Bolt**, Denver, CO	Mark A. Cordova	Nuts/Bolts/Screws Dist.	24	1979	3.74
396	337	**Greg's Trucking, Inc.**, Racine, WI	Gregory A. Cruz	Trucking Services	8	1978	3.71
397	•	**Hernandez Engineering, Inc.**, Houston, TX	Miguel A. Hernandez	Engineering Services	50	1983	3.71
398	••	**Seville Properties/El Dorado**, Los Angeles, CA	Gustavo Ungo	Real Estate Sales	45	1983	3.71
399	•	**Eagle Transportation & Warehousing**, Miami, FL	Raul Pedraza	Transportation/Warehousing	48	1982	3.70
400	382	**J.R., Inc.**, Universal City, TX	Jesse Rodriguez	Educational Furn. Dist.	8	1978	3.70

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401	•	**Farma Int'l**, Miami, FL	Oscar A. Gomez	Pharmaceutical Chem. Exporting	13	1985	3.68
402	•	**Valor Financial Group**, Miami, FL	Jack Valor	Life/Health Insurance	54	1976	3.65
403	•	**Salas Concessions, Inc.**, Nashville, TN	Max E. Salas	Food Services	357	1980	3.64
404	•	**Orion Int'l Technologies, Inc.**, Albuquerque, NM	Miguel Rios, Jr.	Engr./Scientific Services	55	1984	3.63
405	434	**Alliance Supply, Inc.**, Newton, MA	Carlos M. Aspuru	Stocking Dist.	18	1985	3.60
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
411	••	**Bermudez & Assoc., Inc.**, Los Angeles, CA	Eduardo Bermudez	Advertising Agency	35	1975	3.53
412	••	**Casanova Pendrill Publicidad**, Irvine, CA	Paul Casanova	Advertising Agency	50	1984	3.53
413	378	**Nat'l Commun. Sales Promo. Ltd.** Corp., Miami, FL	Robert J. Rodriguez	Sales Promotions	28	1982	3.51
414	491	**Breiner Construction, Inc.**, Denver, CO	Rosemary Breiner	General Contracting	38	1969	3.50
415	427	**El Indio Shop, Inc.**, San Diego, CA	Ralph R. Pesqueira	Mexican Restaurants	100	1940	3.50
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
421	496	**R. Palacios & Co.**, Miami, FL	Raphael R. Palacios	Mechanical Contracting	14	1983	3.36
422	•	**Milam & Co. Painting, Inc.**, Houston, TX	David Milam, Sr.	Painting Contracting	60	1970	3.33
423	426	**Almes Electric, Inc.**, Mesquite, TX	Joe Alcantar	Electrical Contracting	50	1979	3.30
424	437	**Strauss Plastic Co., Inc.**, Newark, NJ	Rudolfo Strauss	Plastic Injection Molding	32	1972	3.30
425	424	**W.M.Z. Manufacturing Co., Inc.**, East Hartford, CT	Magno Palacios	Aerospace Parts Mfg.	45	1976	3.30
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
431	466	**Bryce W. Parker, Inc.**, S. El Monte, CA	Robert Reyes	Service Station Construction	30	1952	3.20
432	•	**C.O.D. Freight Systems, Inc.**, Inglewood, CA	John A. Camacho	Computer Delivery	14	1986	3.20
433	433	**Ebco, Inc.**, Chicago, IL	Everett Bernardo	Indust. Rubber Products	9	1983	3.20
434	462	**Temp-Seal, Inc.**, Compton, CA	Ralph N. Barba	Refrigeration	35	1961	3.20
435	475	**TEX MEX Transportation, Inc.**, Franksville, WI	Oscar Ibarra	Trucking Services	13	1970	3.20
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
441	486	**National Export Crating Co. of Texas, Inc.**, Houston, TX	Samuel N. Marroquin	Industrial Packing	52	1979	3.10
442	•	**Preferred Homecare of America,**** Miami Lakes, FL	Carlos Herrera	Home Healthcare	65	1987	3.10
443	•	**J&P Tiles, Inc.**, Miami, FL	Juan F. Gronlier	Tile/Marble/Paving Contracting	11	1982	3.07
444	•	**Biomedical Int'l Corp.**, Miami, FL	Juan R. Borges	Medical/Lab. Products Dist.	7	1982	3.04
445	425	**Arango Construction Co.**, Bothell, WA	J.A. Arango	General Contracting	22	1973	3.01
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

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451	469	**Lasermation, Inc.**, Philadelphia, PA	Joseph Molinas	Laser Engraving/Machining	37	1989	3.00
452	442	**Mark Metals Inc.**, City of Indust[illegible]	Mark Vaile	Metals Dist.	20	1980	3.00
453	457	**Nick Mendoza Productions**, Burbank, CA	Nicolas Mendoza	Commercials Production	10	1984	3.00
454	420	**Omega Precision**, Santa Fe Springs, CA	Joseph M. Venegas	Machine Shop	43	1985	3.00
455	487	**UNI Enterprises, Inc.**, Brooklyn, NY	Jimmy Hu	Hospital/Marine Supplies	20	1971	3.00
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
461	399	**G.P. Transport, Inc.**, Gregory, TX	Ernest V. Solis	Sand/Gravel Hauling	50	1980	2.90
462	•	**Valenzuela Drywall, Inc.**, Tucson, AZ	William G. Valenzuela	General Contracting	80	1979	2.90
463	•	**TMC Electronics Corp.**, Miami, FL	Miguel Corales	Electronic Parts Dist.	3	1984	2.88
464	413	**Tranex, Inc.**, Colorado Springs, CO	Troy Valdez	Electrical Transformers	71	1967	2.85
465	414	**Service Electric Co., Inc.**, Albuquerque, NM	Sam Alderete	Electrical Contracting	45	1970	2.83
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
471	472	**Falcon Industrial Supply, Inc.**, El Paso, TX	Al Melendez, Jr.	Indust. Supplies Dist.	11	1975	2.70
472	•	**MTC Tours, Inc.**, Coral Gables, FL	Ramon Alvarez	Travel Services	4	1986	2.70
473	480	**Solar Spring Co.**, Chicago, IL	David Diaz	Spring Mfg.	56	1979	2.70
474	•	**KORO TV**, Corpus Christi, TX	Servando Caballero	Television Station	25	1977	2.67
475	494	**U.S. Building Materials, Inc.**, Rancho Cordova, CA	Albert Garcia	Door Mfg.	22	1982	2.67
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
481	•	**Sterling Graphics**, Medley, FL	Fernando Cordal	Printing/Graphics	14	1976	2.55
482	••	**Bona Real Estate #1**, Pasadena, CA	Jaime Suarez	Real Estate Sales	85	1974	2.52
483	•	**Argo**, City of Commerce, CA	Alan Olivas	A/C Contracting	24	1971	2.50
484	•	**Corporate Colour Printing, Inc.**, Baldwin Park, CA	Laura D. Greensberg	Printing	10	1983	2.50
485	440	**Excel Transnational, Inc.**, Naperville, IL	Eugene R. Constance	Railcar Maint./Equip.	8	1980	2.50
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
491	476	**El Paso Litho Plate Co., Inc.**, El Paso, TX	Manuel S. Martinez	Printing Supplies	14	1958	2.46
492	500	**Court Courier Systems, Inc.**, Kenilworth, NJ	Juan Camadona	Delivery Services	82	1978	2.44
493	•	**ITC Personnel Services**, Houston, TX	Diva Garza	Personnel Services	6	1985	2.41
494	•	**Perdomo Roofing & Tile, Inc.**, Miami, FL	Raimundo Perdomo	Roofing Contracting	25	1980	2.40
495	•	**Letterpress Unlimited**, Santa Ana, CA	Rafael Hernandez	Foil Stamping/Embossing	80	1978	2.35
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

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WHEELS & DEALS

A Peach or a Lemon?

Will the auto industry's efforts to recruit minority dealers amount to a sour deal for Hispanics?

By Steve Bergsman

Some might say the relationship between America's Hispanic population and the auto industry is too one-sided. Hispanics are buying a more and more generous hunk of the automotive pie—both domestic and foreign. They bought almost one of every 10 cars sold in America last year, and increased their purchases of some brands by almost 200 percent in the late '80s. But they aren't getting their share of the opportunities to sell that pie.

The major Japanese car makers—Honda, Toyota, Mazda, Mitsubishi, and Nissan—have shown little interest so far in having minority dealers selling their products. And, while the Big Three U.S. auto makers claim to be trying harder to recruit Hispanics into their dealership ranks, that just hasn't happened.

Last fall, for example, Ford proclaimed in a national announcement that it was going to double the number of Hispanic-owned dealerships. They made this announcement at a gathering of 2,500 Hispanic business people. The story went out on the wire services and was carried in newspapers across the country. A few candidates came forward. Ford had only 40 Hispanic-owned dealerships in the entire country two years ago. Now it has 41.

Or take General Motors. Only 50 of its almost 10,000 dealerships—half of 1 percent—are Hispanic. Joseph Vasquez, GM's director of dealer business management and development, says the company has tried to recruit Hispanics without much success because it has used traditional approaches. "We run image type ads," Mr. Vasquez says, "but Hispanics don't seem to respond." As a result, he says GM has changed tack and is now trying to network more with existing Hispanic dealerships. "Our best success," he says, "is word of mouth, either through guys who have been in the [dealer development] program or other Hispanic dealers." Still, they had a net gain of zero in their Hispanic-owned dealership roster during 1989—they lost six dealers and six joined.

Frank Galeana of Galeana Van Dyke Dodge in Michigan sees the Big Three concentrating on the black dealership count.

Things aren't any better at Chrysler, which had 34 Hispanic dealers out of 5,300 in 1988 and again in 1989. Chrysler, too, says it put out the word that it is looking for Hispanics for its dealerships. Still, the company placed only one Hispanic through its "Market Investment Program" and has none in the program now. Importantly, Chrysler is benefiting more than any other domestic auto maker from the increase in Hispanic buying power—a jump of 111 percent in sales over the past five years.

The problem, as a spokesperson for Chrysler explained it to Hispanic Business last year, is that the company's minority dealer programs are focused not on minorities in general, but on blacks in particular—and that Chrysler had indeed been actively seeking blacks, not Hispanics, for their program. The results seem to bear this theory out. While the overall number of Chrysler dealerships remained constant between 1988 and 1989, and while the number of Hispanic dealerships did not increase, 13 black dealerships were added.

Do they care? Cecil Ward, the retail dealer development manager Chrysler hired last July, says he is pushing to bring Hispanics into Chrysler dealerships. "I don't care what emphasis was placed on the program prior to my coming," Mr. Ward exclaims, "but I am targeting to put Hispanics in the program." Mr. Ward is diligently attempting to do so, he says, by advertising Chrysler's programs in Hispanic newspapers and magazines, and by participating in conventions of Hispanic groups. But he appears to lack a knowledge of the Hispanic community, referring to La Raza as "La Rosa," for example.

Is this emphasis on black participation the problem with all the U.S. car makers? Frank Galeana, the largest Hispanic auto dealer in the country, says yes. Mr. Galeana, who owns Galeana Van Dyke Dodge in Warren, Michigan and other establishments in Columbia, South Carolina and Fort Myers, Florida, believes "The Big Three have not had a program out there to expand the Hispanic dealer count. What they are doing is looking at the black count. That is *all* they are looking at," he emphasizes. "They are not giving the Hispanics the proper percentage of opportunity."

But GM's Mr. Vasquez denies angrily that this is true for his company. "We stretch for any minority," he says. "And we do that for Hispanics, Asians, and Native Americans! Ours is truly a minority program. It is not a black program."

From his perspective as a member of the House Commerce Committee and Energy Committee, Representative Bill Richardson of New Mexico tends to agree with Mr. Galeana's view that minority programs—in this and other industries—tend to be preponderantly for blacks. "We are detecting a growing awareness that most of the minority outreach programs are geared to blacks, and that Hispanics are a very, very low second. The fact is, he explains, "When people think 'minority,' they think 'black.' We need some advocates."

The difference, Mr. Galeana insists, is that "The blacks have organized, used the Reverend Jesse Jackson as their spokesperson, and gone into the Big Three and other businesses to force them to create a program to hire blacks. If you don't complain and scream, nothing is going to happen to change that situation! What has happened in the past is that Hispanic dealers have been laid back."

> **"If you don't complain and scream, nothing is going to happen."**
>
> Frank Galeana,
> Galeana Van Dyke Dodge

The question is, who's going to complain and scream for Hispanics?

Mike Padilla, for one. Mr. Padilla, president of Gateway Chevrolet in Buena Park, California, is set on throttling the inequality. As a first step, he has begun a networking organization of Hispanic dealers that is working to create more opportunities for Hispanic dealerships. "One of the things we can do," he emphasizes, "is create an awareness of the situation...among the manufacturers and the general population, but also among the Hispanic managers who may not know it's possible to rise above a sales position in our industry."

Mr. Padilla doesn't mince words either. "The representation of Hispanic dealers is depressing. It is disgraceful, actually." And he is aiming his guns at all the car companies—foreign as well as domestic. "The imports have disregarded providing any opportunities for Hispanics," he says. "Take Toyota's new Lexus franchise for instance. Toyota didn't assign one single person of *any* minority group to any of those dealerships."

To be fair, while Toyota may have slighted minorities with its Lexus dealerships, it has attempted to do more for minorities than any other Japanese car company. Toyota is the only one with anything resembling a minority development program. They have developed a "Team" (Toyota Equal Access for Minorities) objective, which is to improve access for minorities in every part of the company's business operations.

Importantly, Toyota is one of the few car companies planning to expand its dealership count aggressively, rather than cut back or maintain the current number. Of the company's 1,100 dealerships, 40 are now owned by minorities—six of whom are black, six Hispanic. But according to Toyota spokesperson Art Garner, the firm plans to add about 200 dealerships over the next few years. "This should open opportunities for minorities," he says. "We are entering markets where we haven't been before, and there is opportunity for proven minority dealers and dealer candidates. We have asked our regional people to identify strong minority dealer candidates. We have made an extra attempt to identify those candidates."

Another Japanese car company that is doing well by Hispanics—comparatively speaking—is Mazda. While only 18 of its 850 dealerships are in minority hands, Hispanics are the ranking group with eight, and four are owned by blacks.

One Japanese car company that doesn't plan to expand this year is Honda, which has 956 dealerships, 3.1 percent of them owned by unspecified minorities and women. Honda doesn't have a minority recruitment program and doesn't train people to become automotive dealers, but it has hired a Hispanic advertising agency for the first time (La Agencia de Orci y Asociados in Los Angeles, California) to provide "outreach" to the Hispanic community. But even assuming that the Big Three and others are really putting their Hispanic

Top 10 Hispanic Auto Dealerships, 1990

RANK	COMPANY	CEO	EMPLOYEES	SALES
1	Galeana Van Dyke Dodge Warren, MI	Frank Galeana	241	$141,927,203
2	Frank Parra Chevrolet Irving, TX	Frank Parra	245	125,750,000
3	Ancira Enterprises San Antonio, TX	Ernesto Ancira, Jr.	264	117,646,000
4	Gus Machado Enterprises Hialeah, FL	Gus Machado	315	102,232,857
5	Lloyd A. Wise Cos. Oakland, CA	Anthony A. Batarse, Jr.	150	82,695,722
6	Frederick Chevrolet Cadillac Lebanon, PA	Frederick C. Laurenzo	93	54,005,729
7	Metro Ford Miami, FL	Lombardo Perez	123	52,627,341
8	Popular Ford Sales Brooklyn, NY	Harry Risso	72	31,555,251
9	Stadium Lincoln-Mercury Youngstown, OH	Flor H. Navarro	81	29,000,000
10	M&E Ford Sales Meriden, CT	Manuel Pombo	70	26,750,000
	TOTAL		1,654	$764,190,103

Source: HISPANIC BUSINESS, 1990.

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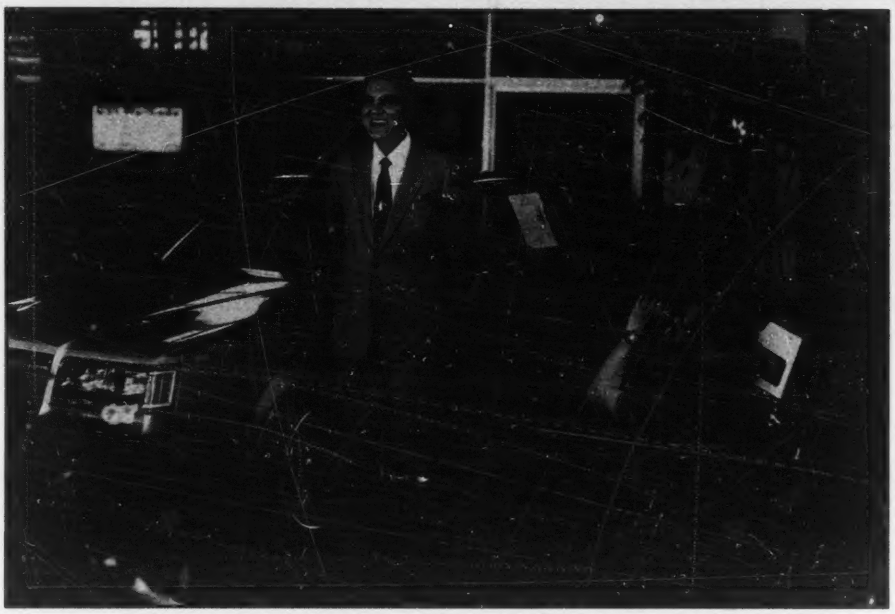

Like many of the other leading Hispanic automobile dealers, Gus Machado of Gus Machado Enterprises in Hialeah, Florida, saw a drop in sales last year.

counts and the fact that the Texas economy has already been to the bottom and is climbing back up. And even though his sales have been improving, Mr. Ancira wants to caution people thinking about getting into the business. "It is difficult for there to be growth for Hispanics because there's a decline in mainstream sales. It's not the kind of industry you would want to get into real quick. The average return on sales has gone from 4 percent to 1.5 percent or less—we have virtually become a grocery store," Mr. Ancira explains.

> **"The auto makers aren't too busy now. They have to listen to us."**
>
> Tony Batarse,
> Lloyd A. Wise Cos.

And in Northern California, Oldsmobile-GM dealer Tony Batarse agrees. "It's a tough business to be in." While he says his sales leaped from $60 million to almost $83 million last year, that was because of increased efficiency—and he took a sharp cut in profits. But unlike the other Hispanic dealers, Mr. Batarse thinks the industry slowdown can increase opportunities for Hispanics. "Now is the right moment to talk to these people at the factory," he insists. "The auto makers aren't too busy now. They have to listen to us. Once the economy turns on again, they won't pay attention. Then the factories will be taking care of other business!"

Those 2,500 dealers who are expected to exit the industry this year will certainly be freeing up dealerships. But that's where the "Catch-22" will come in. Since the really good dealerships don't turn over readily and are highly valued, most of those available to minority dealers who have worked through a development program will be small, in out-of-the-way locations, or problematic. While the auto companies support the new dealers and try to match candidates with viable opportunities (it does the company little good if the dealership fails), it's clearly difficult to make a go of it with these types of operations.

So the outlook for Hispanic dealerships is hard to predict. Certainly better and more outspoken organizational efforts will help Hispanics penetrate the industry. But in an era of soft car sales and reduced profit margins, one can wonder if the effort is worth it. It depends on your perspective. Mr. Batarse thinks it is. As he sees it, the U.S. auto industry goes in cycles, and progress made now could be very important when the industry takes another shine. 🅗

Top 10 Passenger Vehicles Bought by Hispanics in Top 24 Hispanic ADIs*

1989 Rank	Units Sold 1989	Units Sold 1987
1. Nissan Sentra	13,183	11,556
2. Hyundai Excel	12,617	18,455
3. Ford Escort	11,176	9,079
4. Honda Accord	10,866	7,839
5. Toyota Corolla	8,369	5,456
6. Honda Civic	7,097	7,114
7. Toyota Camry	6,664	3,751 **
8. Chevrolet Cavalier	5,610	5,533
9. Toyota Tercel	5,537	3,211 **
10. Chevrolet Camaro	5,339	4,556
Top 10 Total	**66,458**	**79,016**
Total All Makes/Models	**228,636**	**225,798**

*Areas of Dominant Influence representing about 82 percent of the U.S. Hispanic market 18 years and older.

**Not one of the top 10 in this year.

Note: Figures for 1987 revised.

Sources: Univision, R.L. Polk, and the Bureau of Economic Analysis of the U.S. Department of Commerce.

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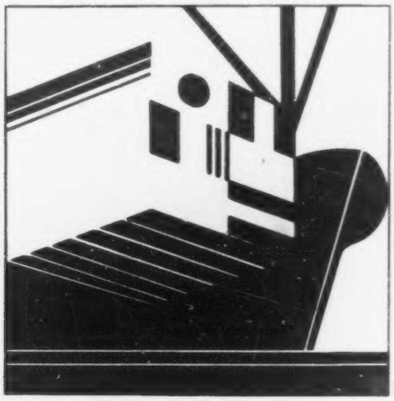

Innovative Investment Incentives

The Dominican Republic has approved a new law that will provide added incentives for investment in its free zone sector. The new incentives include extended tax holidays—up to 15 years in most parts of the country, and 20 years near the Haitian border; greater access to local markets; greater access to local inputs; and simplification of procedures required to operate in free zones. "The new law is definitely a plus," says Manuel Tavares, president of the Itabo Industrial Park near Santo Domingo. "The law creates opportunities for local firms to produce and sell a wide range of raw materials and semifinished goods to free zone companies. That will help us move toward vertical integration of certain industries, a very healthy sign." Executives enjoy doing business in the Dominican Republic for a variety of reasons, including its political stability, abundant labor force, competitive wages, and proximity to the United States.

New York Expects To Export

New York's small businesses are receiving encouragement, as well as legal support, to enter international export markets. The New York State Bar Association and the State University of New York (SUNY) have signed an agreement under which the Bar Association will provide legal assistance to exporters who are clients of the New York State Small Business Development Center (SBDC), which SUNY administers. SBDC Advisory Board Chairman Richard Buerk says the additional assistance from the Bar Association's International Law and Practice Section will help support Governor Mario Cuomo's initiative to promote sales of New York's products in foreign markets. "The export initiative, with the help of attorneys specializing in international trade, is a very good fit," he says. The New York SBDC is funded by the Small Business Administration with matching funds from the state, and expects to assist from 8,000 to 10,000 clients in fiscal year 1990-1991.

Playing The European Game

American manufacturers are increasing their investment activity in Europe. The European Community (EC) was the location of 116 (53 percent) of all new U.S. foreign manufacturing projects in 1989, according to The Conference Board. Seventy-two of those projects involved the acquisition of European firms, 24 were joint ventures, 14 were new plants, and six were expansions of existing facilities. "The magnitude of American acquisitions, joint ventures, and new installations suggests that many U.S. firms intend to be major players in Europe in the 1990s," says The Conference Board's James Greene. Non-EC countries in Western Europe also hosted 13 new American projects last year, and Eastern Europe received nine new investments. "With events in Eastern Europe now suggesting a dramatic expansion in the European market, many American firms are strengthening their presence in Europe," Mr. Greene explains.

U.S. Manufacturing Investments in Europe, 1989

European Region	Acquisitions	Joint Ventures	New Plants	Major Expansions	TOTAL
European Community	72	24	14	6	116
Other Western Europe	7	6	0	0	13
Eastern Europe	1	8	0	0	9

(Source: The Conference Board's Report "U.S. Manufacturing Investments Abroad.")

Totally Cellular

Contel Cellular has received one of eight licenses from the government of Mexico to operate cellular telephone service there. As a member of a five-company consortium, Contel Cellular will own 19 percent of the cellular system in Mexico Region Two, which stretches along the northwestern coast and has a population of more than 4.2 million. The firm will guide the design and construction of the system, and assist in both the training of personnel and management of the network. In addition to Contel Cellular, the consortium includes Tamcel, S.A. de C.V., and Industrias Bachoco, S.A. de C.V., two Mexican companies that together own 59 percent of the system's interest. The other two companies are McCaw Cellular Communications, Inc., and DBL Americas Development Association, both American companies. Contel Cellular, a sector of Contel Corp., is the sixth largest cellular communications company in the United States.

International Negotiation

The American Arbitration Association (AAA) has entered into an agreement with the Chamber of Foreign Trade of the German Democratic Republic and the Austrian Federal Economic Chamber to devise an arbitration system for contracts between businesses in the United States and East Germany. The system was created to encourage trade between the United States and East Germany, and in the event of a dispute, recommends Vienna as a neutral location for arbitration. "Everyone is talking about the astonishing events taking place in Eastern Europe," says AAA President Robert Coulson. "No one knows what the final outcome will be. The only certainty is the conflict that is bound to arise from competition between economic interests, newly created business enterprises, disputes involving employment, and public policy controversies of all kinds," he says.

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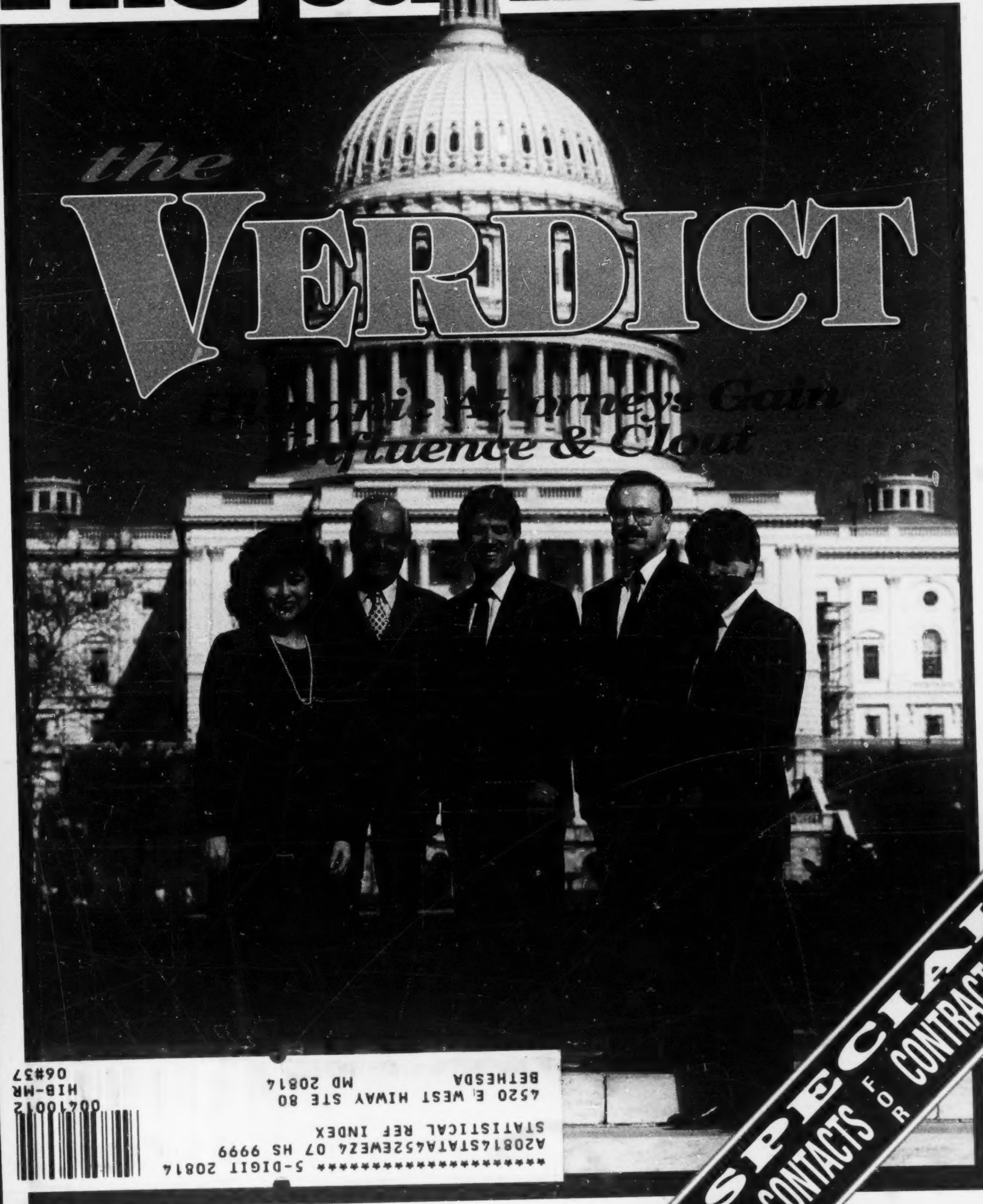

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From left: Regina T. Montoya, a partner with Akin, Gump, Strauss, Hauer & Feld in Dallas; Edward Hidalgo, former secretary of the Navy; Jaime Ramon, general counsel of the U.S. Office of Personnel Management; Jimmy Gurule, professor at Notre Dame Law School and president of the Hispanic National Bar Association; and Michael Baldonado of the Equal Employment Opportunity Commission.

Cover

Photo by Tony Jackson. This month's cover design by Buffalo Brothers Studios West.

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DIRECTLINE

The 1980s: as they recede on the horizon we see more clearly that they brought significant economic advancement for Hispanics as well as for women and other minority groups. By economic advancement we mean not just progress in median household income, but gains in Hispanic business formation and in that category the Census Bureau calls "professionals and managers."

Keeping the '80s in mind, our focus this month is on a group of professionals who affect every other business in this country—lawyers.

Hispanic attorneys 10 years ago were focusing primarily on social issues and public advocacy. Now, as Rick Mendosa's cover articles illustrate, we see a Hispanic legal profession that encompasses a diversity of specialties and is establishing full-service law firms. It is penetrating the leading urban law firms and beginning to occupy teaching posts in top law schools.

While some of our legal "pacesetters" speak of their dissatisfaction with the limitations of this progress, it is significant nonetheless. Lawyers essentially exist to bring disputing parties together on the theoretically neutral ground of the courts and help them communicate and resolve disputes. Since the worlds of business, government, and society at large are often beset by disputes and conflicts, lawyers have a crucial role to play.

On the other hand, our review of the advances of the '80s did not turn up a broadly defined Hispanic legal agenda.

One issue that *is* receiving broad, visible attention is the question of fair political representation for Hispanics. A case that Hispanic lawyers mentioned to us time and again is the Watsonville, California decision, which abolished "at-large" elections (where the City Council is selected by city-wide election) and called for separate "single member" voting districts (giving districts with large minority populations a chance to elect minority-group representatives).

Another critical case was Garza vs. Los Angeles County, in which a federal judge ruled as this issue went to press that the Los Angeles County Board of Supervisors illegally discriminated against Hispanics when it drew district boundaries.

A second issue that has achieved much needed visibility is the drive to get a Hispanic on the U.S. Supreme Court.

But to our surprise, none of the attorneys we spoke with emphasized a need to counter the effects of the 1989 Supreme Court decision in Richmond vs. Croson. That decision struck down the city of Richmond's provision guaranteeing minority-owned businesses 30 percent of the city's construction contracts, and strikes to the heart of all the advances in equal access and employment that we made during the '60s and '70s. Specifically, it casts doubt on current laws in 36 states and hundreds of cities requiring set-aside programs that guarantee a piece of the business for minorities.

We believe the time has come to take a strong public stand on these issues—to be vigilant and proactive in averting a negative ripple effect, rather than waiting for it to happen. And we believe the Hispanic National Bar Association is the logical champion of our agenda for the '90s. Clearly they have become a major force in recent years, with strong leadership. Their president has just received the Bush administration's nomination to be the first Hispanic assistant attorney general.

Now's the time to exert that new strength.

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CAREER INTELLIGENCER

Of The People, By The People

The U.S. Office of Personnel Management (OPM) has joined with the Hispanic Association of Colleges and Universities (HACU) and National Image, Inc., to form "Project Partnership," a program to recruit more Hispanic students into federal government careers. The agreement, which covers two years, is intended to provide job opportunities in the federal government to Hispanic students during their transition from high school to college. The program will also promote recruitment through regional and national conferences, and provide financial assistance to Hispanic students through summer and part-time employment. The partnership plans to use existing federal programs as well, such as the Federal Junior Fellowship Program, the Stay-in-School Program, and the Cooperative Education Program. "Despite gains in recent years, Hispanics continue to be under-represented in the federal work force," says OPM Director Constance Berry Newman. "I consider this partnership a milestone in establishing career opportunities in the federal government for Hispanic students."

Have I Got A Franchise For You

Franchise sales executives are the most popular kids on the block lately. The demand for professionals who specialize in selling franchises is currently exceeding the supply in the industry. "The competition is getting keener, and there aren't enough experienced people out there," says Jerry Wilkerson, president of Franchise Recruiters, Ltd., in Crete, Illinois. "People who can effectively sell franchises are few and far between," adds Larry C. Jordan, president of Las Vegas Discount Golf & Tennis, Inc. Mr. Jordan has doubled the commissions he offers to sales representatives but still has trouble filling all his sales slots. In order to keep their best sales people, franchisers are starting to offer guaranteed compensation and large bonuses rather than straight commissions. Mr. Wilkerson says recruited franchise sales executives are receiving pay guarantees that are 10 percent higher than last year, and he expects these to go up another 15 percent this year, to reach an average of nearly $100,000.

PR about PR

According to the Bureau of Labor Statistics at the U.S. Census Bureau, less than 10 percent of the nation's 150,000 public relations specialists are minorities. The Public Relations Society of America (PRSA) intends to increase that percentage with a program that will recruit and advance minorities in the field of public relations. One facet of the PRSA's program is a campaign to raise $50,000 for minority student scholarships. The campaign is encouraging contributions from major U.S. corporations, public relations firms, and foundations. "Helping talented minority students interested in a public relations career to get a first-rate college education is an important step toward increasing minority representation, which is now not adequate to meet the needs of the profession," says PRSA President H.J. Dalton, Jr. In addition to the scholarship program, the PRSA has also established public relations internships through INROADS, a national minority internship program, and through the Public Relations Minority Management Training Program, a two-year program to help minorities advance to management positions.

Top PRSA Minority Scholarship Fund Contributors

AT&T New York, NY	**$10,000**
PRSA New York, NY	**$5,000**
Burrell Public Relations Chicago, IL	**$2,500**
Ketchum Public Relations New York, NY	**$2,500**
The Rowland Co., Inc. New York, NY	**$1,500**
Public Communications, Inc. Chicago, IL	**$1,000**
CMF&Z PR Cedar Rapids, IA	**$1,000**

(Source: Public Relations Society of America)

Nonprofit Professions

With all the career-related books available today, little attention is given to career opportunities with nonprofit organizations. *Great Careers: The Fourth of July Guide to Careers, Internships, and Volunteer Opportunities in the Nonprofit Sector* is a book that aims to fill that void. It describes the work done by hundreds of nonprofit organizations, including the National Coalition for the Homeless, the Community Careers Resource Center, the Institute for Food and Development Policy, Defenders of Wildlife, and the American Farmland Trust. Written by a team of college career counselors, the book discusses special degree programs for nonprofit careers and lists more than 1,000 resource publications for reference. Also included are chapters on selecting a service career, and on how social consciousness affects your career choice. To order a copy of *Great Careers,* which costs $35.00, write to: Garrett Park Press, P.O. Box 190, Garrett Park, Maryland 20896.

Part Time: Part Good, Part Bad

A new analysis shows that part time jobs can be advantageous, depending on your needs. Currently more than 15 percent of all adults in nonfarm civilian jobs work less than 35 hours a week. About 25 percent of all working women and 9 percent of working men are part time employees. Although usually considered to be low wage jobs, Northwestern University economist Rebecca Blank says part time positions actually pay only 8 percent less for women and 6 percent less for men. In her recent study published in the Brookings Institution volume "A Future of Lousy Jobs," she points out that some part time professional and management positions actually pay slightly better than the comparable full time position. The biggest drawback is the difference in benefits. Part time employees are about 30 to 50 percent as likely as full timers to enjoy health insurance or pension benefits.

AUGUST 1990

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Hispanic BUSINESS®

SIZZLE

Companies on the hot griddle of growth.

THE 100 FASTEST GROWING COMPANIES

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HispanicBUSINESS

The magazine for growth companies and ladder-oriented professionals

August 1990 Volume 12, Number 8

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Arcom Electronics board of directors. From left: Toni and Jim Vye, and Armando and Carol Garcia.

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Photo by Rod Johnson. This month's cover design by Buffalo Brothers Studios West.

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DIRECTLINE

So do we have a recession on our hands or not?

Let's put it this way: When you're completely honest with yourself, what does it *feel* like? My guess is that it doesn't feel very good right now.

I've been traveling and talking with Hispanic CEOs around the country. When I ask them how it's going, they almost always answer in words to the effect that, "If we're not in a recession, it sure feels like one." These are the heads of small businesses, mostly located in the Southwest and Northeast and on the West Coast.

The most positive feedback that I get comes from Texas. CEOs there say they feel the economy is bouncing back. But you have to know where the Texas economy has been to appreciate that optimism. Considering what the oil patch has been through, *any* change is bound to feel good.

In the rest of the country business has definitely slowed down. The signs are there for everyone to see. Even if your most serious reading is the comic pages, you could have followed the decline of "The Donald" this summer. Donald Trump became like the rest of us, as much concerned with the art of survival as with the art of the deal.

The Trump crisis was only one highly visible manifestation of the crunch that's now affecting real estate just about everywhere. In the same way, the recent failure of Bonwit Teller was a reflection of the weakness of the retail sector. Automobiles continue to drag. And the impact of the S&L disaster, already the most expensive bailout in the nation's history, keeps getting worse and worse.

And if American businesses are to be saddled with higher taxes, as now looks more and more likely, tight profit margins could be squeezed even further.

But not so fast. The definition of a "recession" is still "two successive quarters of negative growth." While that may be true in certain industries and in some parts of the country, and while we reported in our June issue that minority businesses are feeling a softness, things still aren't that bad across the board.

At the Commerce Department, Chief Economist Tony Villamil says the economy has slowed down, but *is still growing*. To quote him, we're still in a "record peacetime expansion now going on its eighth year." (See "Nuts and Bolts of Dollars and Sense" in this issue.)

Mr. Villamil is even optimistic that in the second half of this year our interest rates will fall, triggering a further boost to growth.

Mr. Villamil tells us that if you look at the U.S. economy as a whole, you will see some important pockets of strength as well as those all-too-apparent pockets of weakness. For example, he points out that exports and investment in manufacturing plant and equipment are strong. He maintains that there's "definitely no significant probability of recession on the horizon."

Let's all cross our fingers and hope he's right.

Meanwhile, in the midst of what is unquestionably a slower economy, some companies continue to perform amazing feats of growth. This issue honors the 100 fastest growing U.S. Hispanic-owned companies, which have chalked up average sales gains of 372 percent over the past five years. We titled our story about them "So Far, So Fast."

What makes these 100 companies different? Read on and see.

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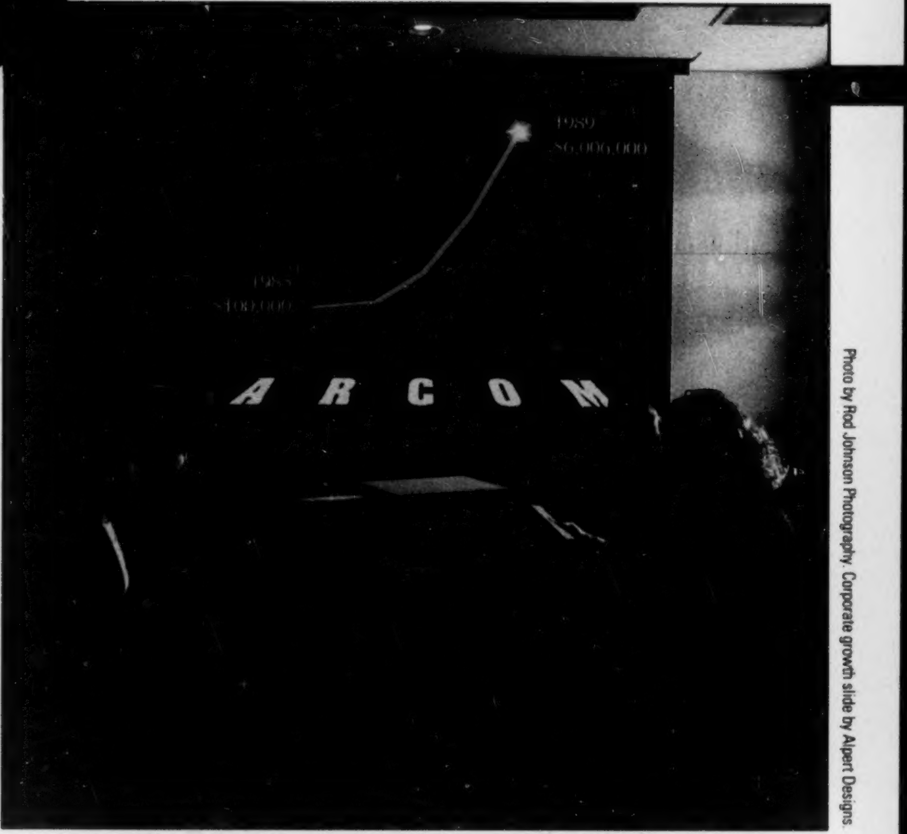
THE TOP 100
Cover Story

SO FAR SO FA



Sales for Arcom Electronics are up, up, and away! Arcom's board of directors includes, from left, Carol Garcia, President Armando Garcia, Vice President Jim Vye, and Toni Vye.

Photo by Rod Johnson Photography. Corporate growth slide by Alpert Designs.

While the economy stays flat, sales sizzle for the 100 fastest growing Hispanic companies.

How do they do it? How is it that some companies can continue to grow even in hard times? To find the answers to these questions, HISPANIC BUSINESS talked to the CEOs of many of the Hispanic-owned companies that had the fastest growth between 1985 and 1989.

There can be no doubt that it's getting harder to make a buck, with all the signs telling us we've entered a period of economic stagnation, if not worse. We reported in our June issue that sales are flat for the average HISPANIC BUSINESS 500 company, and now our survey of the 100 fastest growing shows these businesses have been affected too.

Total sales of this year's top 100 growth companies are down $96.2 million from the total for last year's list. Also, while the 100 are certainly expanding fast, the median rate of growth has tapered off for the past two years. The typical company on this year's list posted sales increases of 372 percent between 1985 and 1989. Last year the comparable figure was 508 percent, and the year before that it was 555 percent.

ST

TOP TEN by Sales

Rank	Company	1989 Sales ($M)
1	Eagle Brands Inc.	$73.20
2	Precision Trading Corp.	64.00
3	RJO Enterprises Inc.	60.25
4	Maya Construction Co.	55.00
5	Infotec Development Inc.	53.12
6	Cacique Inc.	38.80
7	Mexican Industries in Michigan Inc.	38.06
8	Pacifica Services Inc.	35.00
9	Spanish Broadcasting System Inc.	33.00
10	The Vincam Group	30.10

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Additionally, total employees for the 100 are down by 579, and productivity—measured as sales per employee—has also decreased, from $92,000 to $88,841.

While almost all of our top 100 expanding companies are making money, the trend here too is down. Of those who responded to our question about profitability, 89 said they made a profit, compared with the 93 who responded positively last year.

In times such as these, the companies that rise to the top are truly unusual. And different. Perhaps the most striking conclusion from our survey is that the ability to see opportunities—rather than a focus on any specific geographic area or industry—is what these businesses have in common.

As might be expected, there is a greater concentration in Florida and California, which have 21 and 20 companies respectively. All but one of the California companies are located in the Greater Los Angeles area—but that one exception is the fastest growing company of all. Arcom Electronics in San Jose grew 20,000 percent between 1985 and 1989.

In terms of industry focus, the top three companies on our list are all involved with one aspect or another of the computer business. Arcom Electronics is a distributor of data communications equipment. Comprehensive Technologies International (CTI) in Chantilly, Virginia develops software. And McBride and Associates of Albuquerque installs computer systems. Ten other companies are also working in this sector of the economy, which despite its ups and downs remains hot. By comparison, seven computer-related businesses made the fastest growing list last year.

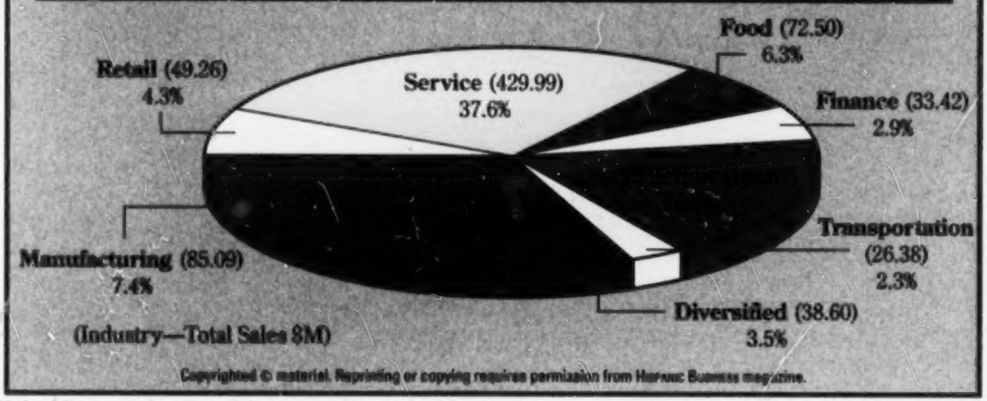
Thirteen companies, including Arcom Electronics, are involved in distributing other companies' goods, and we counted 11 that are directly involved in foreign trade—a seeming trend.

Hard as it is to qualify for this elite list of fastest growing firms, it's even harder to stay on the list. We reported two years ago, for example, that only 13 companies repeated from the previous list. We were therefore amazed to count 44 repeaters from last year's list. And 20 of these actually moved up in the rankings. Jason International Optical was the only one to remain in the top 10, however, moving up from 10th to 7th place. Corella Electric, an electrical contractor in Phoenix, made the biggest jump, from 97th to 40th place.

Last year's number 1 company, Pueblo Broadcasting Corp., chalked up more modest growth this year, moving down to 13th place. Pueblo owns Houston's Channel 45, a Univision affiliate. CEO J. Adan Treviño says his company remains "in an expansion mode" and is looking to purchase a second television station. This one will be in the Rio Grande Valley, he says.

If one theme emerged more than any other in our discussions with the CEOs of the fastest growing companies, that theme was flexibility. The path of success is clearly not the shortest distance between two points. Twists and turns along the way characterize these successful businesses. For example, in the five-year period between 1985 and 1989 Armando Garcia, CEO of Arcom Electronics, changed the company's role from that of a manufacturers rep to that of a broker, and finally made it a full-fledged distributor. In fact, Arcom

PERCENTAGE of Total Sales by Industry



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is an offshoot of another company that Mr. Garcia founded earlier. The first business, Dicar Inc., is growing much more slowly.

The founders of the second fastest growing company—software marketer CTI—at first had visions of selling products that would improve productivity in underprivileged communities throughout the United States and Latin America. By late 1984, however, it became apparent that their vision was flawed, and CTI had to reevaluate its corporate direction. At that point the Defense Department became CTI's primary market.

TOP TEN by Sales per Employee

Rank	Company	Sales/Emp. ($M)
1	Interamerican Trading & Products Corp.	$3.50
2	Rivasal International	2.17
3	Precision Trading Corp.	1.83
4	Plastec USA Inc.	1.00
5	TMC Electronics Corp.	0.96
6	Melloul Travel Consultants	0.68
7	Algus Enterprises Inc.	0.66
8	Intercontinental Metals Inc.	0.62
9	Scion Steel Inc.	0.55
10	McBride and Associates Inc.	0.54

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And while five years ago it made sense to focus primarily on the military, CTI soon had to shift gears again. As CEO Celestino Beltran puts it, "If you didn't plan two years ago [to diversify from defense] you are going to be hurt this year." CTI consequently continues to show amazing growth, projecting sales of about $20 million this year—almost double the figure for 1989. Mr. Beltran's current projection is that CTI will be a $500 million company in five years, and that its military business will "cap out at $50 million—representing 10 percent of total sales."

Like CTI, RJO Enterprises of Lanham, Maryland (number 15), is located in the Washington, D.C. area and has been dependent on military contracts. The CEO of RJO Enterprises, Richard Otero, also started planning years ago to reduce his dependence on the military. RJO has shifted from a focus on research and development to production of an optical storage retrieval system, sold primarily outside the federal government.

"What happened in the defense industry was a good thing from our perspective," Mr. Otero says. "It gave us a kick in the pants to get our act together and move out quicker." Another incentive to do civilian contracting, he says, is that Defense Department profit margins are only 6 to 8 percent, compared with the 40 percent he can make on some of his products in the civilian marketplace.

Aside from flexibility, the secret of success for Mr. Otero is in the details. "You have to do 100,000 things a little better than your competition," he says confidently.

Another company that saw the need to diversify away from reliance on military contracts is fifth ranked Orion International Technologies in Albuquerque. The Defense Department provided 95 percent of the company's sales of $3.6 million in 1989, but by next year that percent will drop to less than half, according to Augustine A. Apodaca, Orion's director of finance and administration. "A small company like Orion can be more flexible than a larger one," Mr. Apodaca believes. Orion has been able to shift gears, follow the money, and pick up contracts from the Department of Energy in its target field of systems engineering and integration.

Not every defense contractor is feeling the military budget pinch. One strong exception is Jay Automotive Specialities, which still gets 95 percent of its business from supplying spare parts for military vehicles. The company moved up to 18th place on this year's list, from 30 last year. "The military still has to operate vehicles, so our market is fairly stable," says CEO John Sotomayor. His company now services 27 military bases and recently added the Kennedy Space Center.

For Simdex Inc.—the 8th fastest growing company—the path has been especially rocky. That company was forced to seek the protection of Chapter 11 at the end of May. Simdex runs a technical school that depends on federal funds for about 95 percent of student tuition. One problem, explains CEO Dion Padin, is that new government policies are delaying payment to all schools for one to three months. Another negative is the company's loss of all but $200,000 of a peripheral $700,000 investment it made in a Houston manufacturing company last year. Simdex expects to come out of Chapter 11 status this month.

Di-REC Services in Dallas, a full line personnel agency that ranked 29 on our list, has also traveled a bumpy road. "I was almost ready to shut the doors two or three years ago," remembers CEO Roland Cordobes. After three straight months of losses he had to admit that business was terrible. But he decided to give the company one final chance and at the last possible moment snagged a contract big enough to keep him afloat until repeat business and word-of-mouth built a solid business base.

INSIDE the 100

Number of Companies by Industry

Service	40	Food	5
Construction	17	Transportation	4
Wholesale	14	Finance	3
Retail	7	Diversified	3
Manufacturing	7	Agriculture	0

Total Sales 1989	$1,142.8 Million
Total Sales 1985	$233.2 Million
Percent Increase	390%
Avg Sales/Emp. 1989	$89,841
Avg Sales/Emp. 1985	73,557
Percent Increase	22%
Total Employees 1989	12,720
Total Employees 1985	3,168
Percent Increase	301%

Number of Companies by Profit Range

16% or More	13	Break Even	4
6-15%	43	Loss	1
1-5%	33	No Answer	6

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Mr. Cordobes set a standard of "always going out of our way to make sure we deliver exactly what we promise." Since what he promises is qualified people, he has had to struggle hard to counter the worsening drug epidemic. One tactic is to do more drug testing. For example, "In the past three weeks," he told us, "we actually tested *everybody.*" Of those tested, between 15 and 20 percent flunked.

The biggest growth for 14-year-old E.T. LaFORE Inc., a Denver construction company, came during the 1987-89 downturn in the construction market. CEO E.T. LaFore says the slump encouraged his company to compete more aggressively. The company moved up from 47th place on last year's fastest growing list to 20th place this year with sales of $9.8 million. In 1990, says Mr. LaFore, sales will exceed $20 million.

The secret for Mr. LaFore is in hiring smart people. Like *Fortune* 1,000 companies, he uses headhunters to find all his key personnel. "When you think just like the big boys and do it on a smaller scale," he maintains, "you're going to be right next to them."

For J.R. Food Service in Chino, Califor-

TOP TEN by Employment Growth

Rank	Company	New Emps	% Growth
1	Salas Concessions Inc.	353	8,825
2	Comprehensive Technologies Int'l Inc.	202	3,880
3	Atlantic Resources Corp.	63	3,150
4	The Vincam Group	1,770	2,213
5	Pueblo Broadcasting Corp.	44	2,200
6	Arcom Electronics Inc.	28	1,400
7	Scientech Inc.	112	1,400
8	Orion Int'l Technologies Inc.	51	1,275
9	McBride and Associates Inc.	25	1,250
10	Simdex Company Inc.	128	1,067

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nia—number 19 on the list—product diversification opened a new avenue of growth. CEO Rick Duran had been in the pickle production and distribution business for years. Then, he says, his son Jeffrey convinced him that "as long as we are going to all these stores anyway, why not add some lines?" Consequently they have expanded from a line of seven or eight pickle products to more than 250 items, including frozen meats, chicken, and French fries.

Jorge Casimiro, the CEO of number 50—Jesse Fence Co.—says the secret of his company's success is the Hispanic work ethic. "No job is below us," he says. "I get my hands dirty and all of my executives do—we have no prima donnas here." By working side by side with his employees, Mr. Casimiro has established the biggest fencing firm in the area. Considering that this area is the depressed city of Houston, Jesse Fence's fast growth is truly remarkable. "We just cut our prices and outhustled the competition," Mr. Casimiro smiles.

Several firms also reported that the Small Business Administration's 8(a) set-aside program eased their start-up woes. Until this year, when Virginia-based CTI began to diversify out of defense, essentially all of its sales were through the 8(a) program. Cristobal Berry-Caban, CEO of the 4th ranking Atlantic Resources Corp. in Reston, Virginia, also gives credit to 8(a). "It has been working for us," he says. Atlantic Resources does research and evaluation studies in health and education. Both firms undoubtedly have an advantage in being located near SBA headquarters in Washington, D.C.

E.T. LaFORE Inc., the Denver construction firm, has also benefited considerably from the 8(a) program. Mr. LaFore says that 40 percent of his business is coming through the program.

On top of all the normal problems of starting a business, the 100 CEOs of our fast growing companies had to face a very special risk: that of growing *too* fast. Several of them emphasized this experience, including Armando Garcia of Arcom Electronics, who says he felt the pinch of both personnel and cash shortages. Mr. Garcia says he recently had to cut back his staff size from 30 to 24, laying off less technically qualified employees whom he had hired to keep up with the company's rapid growth. He also found he had too many dollars tied up in inventory.

As Mr. Otero puts it, "With perfect hindsight I would say we were growing too fast. We certainly outstripped our ability to build an infrastructure for the company. We've come very close to outstripping our ability to finance ourselves." As with businesses everywhere, Mr. Otero says, the two major concerns of the fastest growing businesses boil down to this: "It's people and money."

How to Make It in Five Fast Years

To qualify for the HISPANIC BUSINESS listing of 100 fastest growing companies, a company must be 51 percent U.S. Hispanic-owned and report all appropriate statistics. Companies are ranked according to cumulative increases in gross sales over a five year period. This time frame eliminates new companies that can report astronomical percentage growth because of their initial diminutive size. The methodology also sifts out firms that do not survive the start-up phase and discounts quick or one-time growth spurts. The result is a list of functioning companies that have averaged significant growth over time.

#1

Armando Garcia
Arcom Electronics Inc.
Data Communications Hardware Distributor
San Jose, California

By Rick Mendosa

To be the fastest growing Hispanic business in the United States you have to have more than just great products. When Armando Garcia started Arcom Electronics Inc. in California's Silicon Valley five years ago he understood that many other distributors of data communications equipment weren't taking the customer's needs into account.

He had worked for some of those distributors, gaining a rare combination of experience in electronics, sales, and management. But they wanted him to push the product lines they carried, even when that wasn't the best solution for the customer. Mr. Garcia was determined to be different. His experience had also taught him the value of an extraordinary dedication to customer satisfaction, and he believed this meant selling what the customer needed, even if it wasn't a line he carried.

"If the customer wants a certain product and we don't carry it, we give them a price on it," Mr. Garcia says. He gets little markup on such sales because they don't involve his special connections. But if it completes a package deal, it ensures a happy customer. Customer satisfaction "really is that simple," Mr. Garcia emphasizes.

"We started doing this in selling to Apple Computer," he goes on. Apple subsequently became one of Arcom's largest accounts, with annual purchases of more than $1 million. Now, most of what Arcom sells goes to large *Fortune* 500 companies like Apple, including Ford Aerospace and Lockheed. Banks are also big customers.

These corporations rely heavily on what Arcom handles—equipment to connect computers together, such as cables, multiplexers, and modems. Arcom gets its cables from another Silicon Valley company called Dicar Inc., where Mr. Garcia has a special connection. He owns 60 percent of that business, which he founded 10 years ago with his brother Ed, now Dicar's manager and the minority shareholder. In fact, Dicar initially provided office space for the fledgling Arcom company, which has since moved about five miles away. Dicar's sales last year were $1.2 million.

Another important recently founded Silicon Valley connection is SynOptics Communications. When SynOptics supplied Arcom's first big order, it created a major turning point for the still precarious new distributor. In fact, not making that sale "might have wiped us out," Mr. Garcia recalls.

Arcom's vice president, Jim Vye, set up the arrangement with SynOptics. Mr. Vye, who owns the 37 percent of Arcom that doesn't belong to Mr. Garcia, is also Mr. Garcia's brother-in-law. He initiated the deal by lining up a potential customer, Tandem Computers, which needed $100,000 worth of SynOptics equipment to connect its computers in a local area network. Arcom's first problem was to raise funds to buy the equipment. Mr. Garcia found the needed money, but then was nervous that SynOptics might make an end run directly to Tandem. So when SynOptics Chief Financial Officer Bill Ruehle made an appointment to meet with them the next day, Mr. Garcia was sure they were about to be squeezed out. But "the CFO was just seeing if we were for real," Mr. Garcia remembers, admitting he was astounded to find a company still "doing business based on character."

Armando Garcia is number 1 (the president) at Arcom Electronics, the number 1 (fastest growing) Hispanic company.

Today SynOptics is one of America's fastest growing public companies, with sales last year of more than $77 million. More than $1.5 million of those sales are made through Arcom, one of their top 10 customers.

Mr. Ruehle, who is still CFO of SynOptics, says he decided he would do business with Mr. Garcia and Mr. Vye because he liked them and their "tremendous enthusiasm."

Another $1.5 million of Arcom's sales come from high speed modems manufactured by Telebit Corp. in Sunnyvale, California. Mr. Garcia recalls that during at least one "dry spell, sales of Telebit modems at $10,000 an order kept us going."

With revenues of more than $6 million last year, however, the only dry spell Arcom has to worry about now is the one in California's weather. In fact, the company has been growing too fast, Mr. Garcia says. He hasn't been able to find the skilled employees he needs. Cash flow management is also a problem now that in-stock inventory has crept up to more than $1 million. It turns every 45 days, which is not as fast as he would like, given the firm's low 3 percent margin.

"We're doing good sales, but we're not selling what we have in inventory—we're selling other stuff," he notes. It sounds as though he's still trying to satisfy his customers by selling what he doesn't have. But since this approach is also still making money for Mr. Garcia, there may be worse problems.

#3

Teresa McBride
McBride and Associates
Computer Systems Vendor
Albuquerque, New Mexico

By Rick Mendosa

Teresa McBride is a bundle of seeming paradoxes. A young looking woman of 28, she is still mistaken for a teenager, and clients often ask if McBride and Associates is her father's company. It isn't; he died when she *was* a teenager.

Also, while Ms. McBride started her Albuquerque-based company on a $5,000 shoestring just five years ago, most of her clients are *Fortune* 500 companies. About 90 percent of them are out-of-state.

Further, although she sells and installs the most technically sophisticated computer hardware and software, she never finished college. But she does plan to go back to college in a few years and has already picked her roommate. The delay is because that prospective roommate is her 10-year-old son. We wondered whether Ms. McBride intended to study computer science or business administration. "Neither," she says. "Art and literature are my interests."

And while "McBride" isn't a common Hispanic name, Ms. McBride says she is "100 percent Hispanic." It seems the name came from an Irish railway worker who went to New Mexico about five generations ago. He settled near the town of Grants, which has been the McBride family home ever since.

Ms. McBride actually began her business career when she was in the second grade. In those days she *did* work for her father. He had a restaurant in Grants, which she took over years after he died. That was when she started working with computers. She bought one to automate the restaurant's books and discovered she had a greater affinity for software and microprocessors than for grills and coffee urns.

After detours through a short marriage and a brief enrollment at the University of New Mexico in Albuquerque, Ms. McBride opened the doors of McBride and Associates in 1985. In that first year she had only one associate. Sales amounted to a mere $125,000. Today Ms. McBride has 37 associates, and sales climbed to $14.8 million in 1989. For that phenomenal growth, the company captured third place on this year's list of the fastest growing companies.

Ms. McBride's accomplishments have been recognized by the Bush administration as well. A few months ago she went to the White House to be honored as one of the Small Business Administration's "Top 10 U.S. minority business people of the year." Was she nervous about meeting the President? "Not at all," the young entrepreneur smiles. "He's just your typical friendly person. Even a little ruffled."

Ms. McBride doesn't think it strange that someone from Grants, New Mexico should have such great success working with the country's largest companies. In fact she says her small town values are one of the keys to her success, because in a small town the choice is between "repeat business or no business." Knowing the value of repeat business, she has pursued and won long term relationships with *Fortune* 500 companies, which "are always doing new projects."

Nearly as good as repeat customers are the referrals they provide. "We are marketing actively now," Ms. McBride explains, "but for the first three years our new business was by word of mouth."

Another secret of her success, this CEO believes, is that she pursues a specialized market niche. One reason for that focus is Dick Russell, director of purchasing and materials management at the Sandia National Laboratories, a research and development facility operated by AT&T in Albuquerque. Ms. McBride first heard Mr. Russell talk at a seminar about finding and filling specific market needs. He called the strategy "nichemanship," and she took his advice.

McBride and Associates sells and installs systems for developing computer-assisted solutions to statistical, scientific, and design problems. Mr. Russell became one of Ms. McBride's first customers, and is a big fan. He credits much of her success to persistence. "She stays after the order," he says.

Ms. McBride agrees that "you can't take 'no' for an answer." Unlike her, we probably weren't persistent enough because we never did get the names of McBride and Associates' other major customers. The only time she ever told a reporter the name of a customer, she remembers ruefully, "We had competitors calling on that company the next day. Before that, they didn't know the company existed!"

Looking ahead to the next five years, Ms. McBride plans to keep her company growing. As you might expect, the details of her plans are proprietary, "since the only people who would be interested in them are our competitors." But there is good news for those competitors in the longer term plan. By that we mean, of course, her decision to go back to college when her son is old enough.

Teresa McBride is still in her 20s and has already built her computer company into one of the fastest growing in America.

#7

Victor Suarez
Jason Intl. Optical Inc.
Eyewear Importer
Elizabeth, New Jersey

By Janet Glasheen

Call Victor Suarez, the owner of Jason International Optical Inc. in Elizabeth, New Jersey, and they'll probably put you on hold...just long enough to advertise their product. "We carry the finest in eyewear at the best prices around!" a happy recorded tenor exclaims. "We offer four popular collections of eyeglass frames and sunglasses from the orient and Brazil."

That little message holds the secret of Jason Optical's fast success in a tough segment of the notoriously competitive fashion industry. Mr. Suarez will tell you: it's a combination of "best style, best quality, and best price."

By covering these three bases, Mr. Suarez and his daughter, General Manager Hilda Puckett, have toted up growth of 2,910 percent since 1985, for sales of $3 million in 1989. That's half a million frames: 75 percent of them sold in the United States, 15 percent in the Caribbean, and 10 percent in Mexico.

The most important ingredient in Jason Optical's success—about 50 percent of it—is style, the Cuban-born CEO explains. (And maybe his own friendly curiosity. If you talk with him for more than a few minutes you'll soon be telling him about your lifestyle and eyewear preferences.) "When I first came to this country, and I'm 35 years here," Mr. Suarez says, "I started working in the garment center in New York. I worked as a leather cutter, making jackets, skirts, and so on, and then became a manager. So I have experience with fashion."

But he still had new lessons to learn about that moving target called "style." For example, "you can't try to be too secure when you're buying," he confides. "That happened to me in 1987, when I let my sales manager buy. He was too fussy, too careful, and it was a bad year. You have to take a chance."

Mr. Suarez turned to the business of importing frames after running his own optometry firm. While he says being Hispanic helps him in international sales, it was a handicap with U.S. distributors. "It's very hard. If you have a Hispanic name, there is maybe 20 percent less opportunity for you," he says quietly. "For that reason my 'mainstream' salespeople are able to knock on the doors and get them to open better than I can." Now, Mr. Suarez says, he has a U.S. sales staff of five, doing business with 350 distributors and 50 optical companies, including the largest national chains such as Pearle Vision Center, where they've got about 25 styles now.

"In 1983," Mr. Suarez recalls, "I got my samples together, took my wife and daughter, and went to my first trade show, in Atlantic City. One guy I used to buy frames from was there. He said, 'But you're Cuban! You don't belong here.' I said, 'One day, you're going to be my distributor.' And today he is. But he had to come to me and say 'I'm sorry' 10 times before I said 'OK.'" "So you're more practical than vengeful?" we asked. "Honey," says this experienced businessman with a chuckle, "I've learned one lesson. Whether I'm crying or laughing, I want to be going to the bank."

Mr. Suarez's new target for expansion is U.S. Hispanics. "That's one of the biggest markets in the world!" he exclaims. "If I can develop more of it, I'll be a happy man." Part of his plan is to give free appointment reminder cards that advertise Jason Optical's styles to Hispanic eye doctors. "We're going to test this in Florida and probably Puerto Rico," he says, and if it works we'll try in other states."

Victor Suarez says "If I can develop more of the U.S. Hispanic market I'll be a happy man."

And then he'll expand in Mexico and South America."In my opinion the sky's the limit," the forthright, exhuberant CEO volunteers. "I have everything planned in steps. I don't want to run before I can walk, but if I can go worldwide I'm not going to sit here in this chair."

The strategy will be to offer the going low prices, but "with more quality, more value, than is common in those areas at this moment." He'll do that by doing business as usual: fighting for the best price and quality with suppliers all over the world, and keeping his own expenses low. "My people work well and fast," he says proudly. "We have six persons here at headquarters doing the same amount of work that other companies will have 15 people to do. We don't have layers of management."

Finally, Mr. Suarez would like to get some government contracts. "We're small so they say we have to manufacture in the U.S.A.," he explains. "So probably by 1992 I'll start to have some manufacturing here. But remember there are already 1,001 companies that manufacture in this country trying to get the same contracts."

Then again, maybe it just takes a man who knows you have to take a chance.

#8

Dion Padin
Simdex Co. Inc.
Technical School
Houston, Texas

By Rick Mendosa

Don't tell Dion Padin that to grow a business quickly you have to be in a hot industry or booming local economy. He knows better. His business, the eighth fastest growing Hispanic company in the country, is in the field of education. Mr. Padin owns and runs Simdex Technical Institute in Houston.

When Mr. Padin purchased the Houston welding school where he worked—then called Aircom Technical Institute—five years ago, it was doing so poorly and the local economy was so bad that he didn't actually have to invest any money. The school wasn't worth much more than what he paid for it, producing income of just $264,000 in the first year.

Now, with new course offerings and well over 1,000 students—55 percent of them Hispanic—Simdex's income has increased to $5.2 million. The original campus in Southeast Houston now offers 4- to 9 1/2-month courses in basic and advanced welding, building trades, air conditioning, security, and word processing. A new campus in the city's Southwest section offers courses for travel agents, computer maintenance and repair technicians, secretaries, and accounting and medical clerks.

While average course tuition is almost $5,000, about 95 percent of Simdex's students qualify for full financial aid from a federal guarantee program administered by the state. A further attraction is that successful graduates are required to repay only half of the amount borrowed. Mr. Padin, who is from Puerto Rico, also believes that his Hispanic background is an important attraction, "because we speak the same language. A lot of the students prefer to speak Spanish."

Importantly, only about 22 percent of Simdex's students drop out—a figure that is well within federal guidelines. "They start looking at you when you are about 33 percent," Mr. Padin explains. And, depending on the course, between 60 and 80 percent of the school's graduating students are placed in appropriate jobs immediately. Graduates of the course for security guards are often hired by Simdex itself, which operates a separate security business.

But if Mr. Padin makes it look easy, consider that several other technical schools in the Houston area have gone out of business recently. Simdex in fact has taken over two of those failing schools at the request of the Texas Education Agency (TEA). Their problem, explains TEA Administrative Program Specialist Ken Ball, was that they solicited unqualified students who couldn't be placed upon graduation.

Simdex has "never participated in that kind of activity," says Mr. Ball, who was responsible for regulating the school until recently. "When things [at Simdex] were found wrong—or perceived to be going wrong—Mr. Padin always cooperated fully, sometimes at financial cost to himself. He is a person with a strong social commitment who is willingly working in an area that very desperately needs more good trade and vocational schools."

While Houston is now Mr. Padin's home, he has traveled as far as Ecuador to set up training programs—in this case for oil companies. He has even gone—willingly—to prison for his work. "We are doing things that other technical schools have not attempted, such as working with prison programs and parolees," he says enthusiastically. "We have gone into Huntsville [State Penitentiary], for instance, and trained the instructors and some of the inmates in welding."

While Simdex has come far and fast in its first five years, this progress seems just a prelude to what's coming next. For example, Mr. Padin is now finalizing an agreement to train the more than 3,000 meat cutters that the Nebraska-based IBP Corp. needs to hire each year.

IBP, a major subsidiary of Occidental Petroleum and one of the nation's largest meat processors, has annual sales of $9 billion. The Simdex-trained meat cutters will go to work in the company's plants in Texas, Iowa, Nebraska, and Kansas, according to Ken Milbrodt, IBP's director of corporate training and development. "We are working right now," he says, "to tailor a program emphasizing safety and meat cutting skills."

Mr. Dion has also set his sights on Sears, Roebuck and Co., which he says is looking at training some 15,000 appliance-repair technicians over the next four to five years as the company branches out to service non-Sears brands. Preliminary negotiations between Simdex and Sears are underway.

Both the IBP and Sears training programs would require Simdex to undertake a major expansion into additional cities. That's fine with Mr. Padin. He says he'll be glad to go anywhere the business takes him.

Dion Padin concentrates on technical training. His Simdex Technical Institute is one of Houston's top schools.

#27

Luis O. Riva Saleta
Rivasal International

Cincinnati, Ohio
International Marketing

By Janet Glasheen

The French writer Alexis de Tocqueville wrote a book entitled *Democracy in America* back in 1835 that described us Americans so keenly we've been quoting it ever since. One of de Tocqueville's conclusions was that in America the ministers talk like businesspeople and the businesspeople talk like ministers. That is, he saw that Americans consider enterprise a potentially inspiring occupation.

In that sense Luis Riva, an enterprising dreamer and son of a dreamer, is the most American man you will ever meet.

Mr. Riva, who spent many seemingly fruitless years building a foundation of community visibility, personal relationships, and reputation as an ethical businessperson, is now reaping the benefits. His marketing company, Rivasal International, made no money for two years and $20 in its third year. Then it had sales of $1 million in 1985, and has grown 550 percent since then, ranking 27 on the fastest growing 100 for 1989 with sales of $6.5 million. Now Mr. Riva and his associates (there's no hierarchy in his organization) say they will make Rivasal one of the *Fortune* 500 by the year 2015. (There's also a lot of long term job security in this organization.)

Mr. Riva built his business in a town he loved at first sight—Cincinnati. His father, a physician who left a comfortable life in the Dominican Republic to begin anew where he felt his children had a better future, promised that little Luis and his sister could pick the town they would live in. When they came to the outskirts of Cincinnati they said, "This is it!"

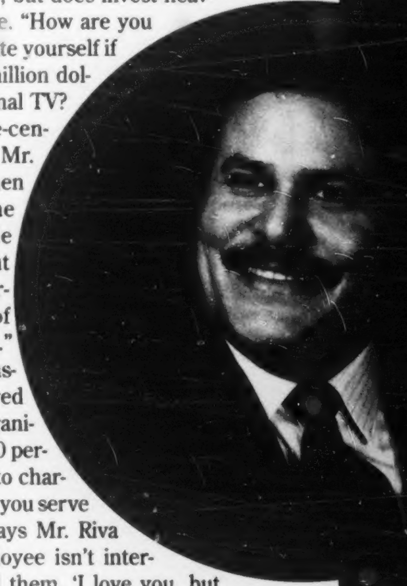
Luis insists it was the pork slaughterhouse that attracted him initially, but luckily the town is also home to many prosperous companies that have since become loyal Rivasal clients—including Procter & Gamble, Cincinnati Gas & Electric, and the city of Cincinnati itself. Other clients include the likes of Martin Marietta and Ford Motor Company, .

But what is it exactly that Rivasal does? You might call it a procurement agency, an arranger: buying top quality, reliable supplies of commodities and manufactured goods at reasonable prices and selling them on contract to businesses and government. And seemingly any product goes, from barge convoys of salt for icy city streets, to traffic lights, to laser printers and office stationery.

The common thread is "just service, service. Even if we say we haven't handled the kind of product they're looking for, customers will say, 'Yeah, but we know we can trust Luis, he comes through,'" Mr. Riva confides with typical open, joyous enthusiasm.

The company invests little in transportation, inventory, or storage, but does invest heavily in its own future. "How are you going to differentiate yourself if you don't have a million dollars to put in national TV? Through principle-centered leadership," Mr. Riva explains. "When you're active in the community, people will notice you. But it takes a big personal investment of time and hard work."

All of Rivasal's associates are required to be active in organizations. "We give 10 percent of our profits to charity. If you work here you serve the community," says Mr. Riva firmly. "If an employee isn't interested in that, I tell them, 'I love you, but please find happiness elsewhere.'" Mr. Riva can talk. He is the ultimate role model in relationship building—both for his associates and for the U.S. Hispanic community. For example, he recently served as president of the Cincinnati Rotary Club, the fifth largest chapter of that organization in the world, and a group that may never be the same owing to his innovations.



Luis Riva gives 10 percent of his profits to charity, and plans to donate $100,000 in 1992.

"That took 40 hours a week," Mr. Riva explains. "Some people say, 'I can't afford the time to join clubs, go to conventions.' That's especially true of minorities. I tell them, 'You can't afford *not* to. Your competitors are doing it.' And boy oh boy, the connections I have developed! They're priceless."

For example, he relates, "I was at the National Minority Supplier Development Council conference, and I thought I had to skip the banquet to get back to Cincinnati [where he was running for Rotary president]. The executive vice president of Procter & Gamble overheard me and said 'You can ride back with me in my corporate jet tonight.' You see, people are nice! Then on the trip he said, 'Just how much business are we doing with Rivasal?' 'Well, sir,' I said, 'only about $294 last year.' 'Wait a minute!' he said. 'You're a fantastic guy. Call me tomorrow and we'll make things happen.' *Bingo*!"

There's so much more Mr. Riva has to say about business, his mentors, and the management seminars he's been attending. Why don't you call him? Develop a relationship.

#47

Juan R. Borges
Biomedical Intl. Corp.

Biomedical Products Distributor
Miami, Florida

By Janet Glasheen

Almost every business journal you pick up nowadays has an article about why "global" marketing is the new key to corporate survival. So, are most of the big U.S. manufacturers racing to capture the global prize money? Are they all jockeying to hire proven international executives? Nope. Not that many companies, and not that fast, says Juan R. Borges.

Mr. Borges should know. As a Miami-based distributor of more than 100,000 medical and lab products in the Caribbean and points south, he is a global go-between. He sells the merchandise of U.S. manufacturers who *do* have an international vision, to foreign consumers who want U.S.-made products.

In general Mr. Borges, a Cuban-born marketer who is well wired into the Spanish speaking world, believes many, many American companies still "need to look outside the window and see this other world! They have to think there is more out there than Canada and the U.S." His own business—Biomedical International Corp.—has increased its sales fivefold in five years, thanks to "huge untapped needs in the hospitals and clinics of developing countries in this hemisphere."

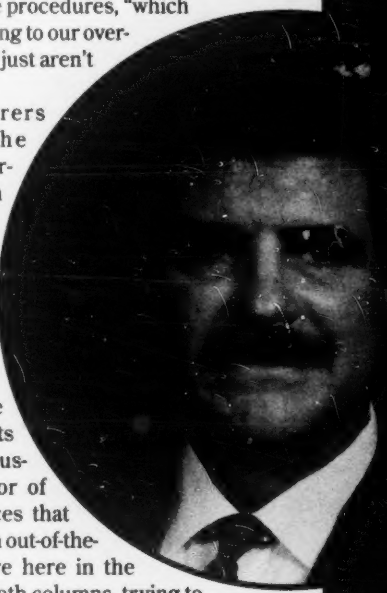
He also sees Biomedical's fast growth continuing, by about 50 percent in 1990 alone. As a man who sells everything including intensive care monitors and disposable swabs to "every hospital in the Caribbean," he believes "there are still a lot of products, old and new, that need to be marketed in developing countries to improve the level of health. They'll save lives and save hospitals money by getting patients out sooner. It's just a matter of doing the right marketing. Talking to the right people".

It's a matter of the right servicing, too. "Service—and by that I mean on-site repair of big devices like anesthesia machines—is almost nonexistent in some of these countries, so we do a lot more than just sell. We back up the product beyond the manufacturer's warranty," Mr. Borges explains.

And what backup! Biomedical's staff often puts routine operations on hold to play Indiana Jones—racing airplanes on the tarmac with emergency parts or vital intravenous fluids, cajoling the officials of two countries to commandeer military aircraft. "We go out on a limb," says Export Manager Pio Molina, with a trace of awe, "and I don't say that to brag."

The company's suppliers, who include the likes of biomedical giants Ciba-Corning and Fisher Scientific, usually find it more economical to sell to developing markets through distributors because "the high cost of selling direct will kill them," Mr. Borges explains. Also, Biomedical presents a personal face to the customer. No impersonal answering machines and time-consuming corporate procedures, "which are especially confusing to our overseas customers, who just aren't used to it."

U.S. manufacturers also depend on the distributor's understanding of foreign markets to optimize sales. For example, it's common for suppliers to assume that one product line fits all, Mr. Borges sighs. "I've often seen companies discontinue profitable old products that their foreign customers love, in favor of new high-tech devices that can't be maintained in out-of-the-way places. So we're here in the middle, holding up both columns, trying to make everyone happy."



Juan Borges says personal attention to clients and excellent service set his company apart from the competition.

All this knowledge takes time to develop, Mr. Molina adds. "There are so many needs in the hospital, and although we're not doctors we get bombarded with practical questions that our customers can't learn about in medical journals." Mr. Borges spent 10 years in international marketing with Baxter Travenol Laboratories before starting Biomedical in 1982, but Mr. Molina had been a civil engineer, offering only the winning quality of "liking to work hard."

"Gathering that information probably took about 70 percent of my time for five or six years," Mr. Molina reflects ruefully. "But people realize you're doing all this for them, so they'll be committed to you, and a lot of new entrants drop out because they're just not willing to put the time in."

It also takes time to win over the choice U.S. suppliers. "If they like you," Mr. Borges explains, "they say 'OK, we'll sell to you at a reduced discount'—maybe 20 percent of their recommended hospital list price. The full discount for established distributors might be 40 percent, but it can take a couple of years to earn that."

Now Mr. Borges hopes to expand opportunistically "as doors open" in Latin America, because "I enjoy it," he says. "I enjoy talking to the minister of health of a country, sketching out on a yellow pad in 10 minutes how he can set up an intensive care unit. I get a lot of respect doing that, and a lot of friends."

THE TOP 100 DIRECTORY

Rank	Company/Location/Type Business	Sales Growth 1985-1989 Percent Increase	Sales Growth 1985-1989 Compound Annual Rate	Gross Sales* 1985	Gross Sales* 1989	Profit Range** '85	Profit Range** '89	No. of Employees '85	No. of Employees '89	Year Started
1	[illegible] Electronics Inc., San Jose, CA Data Com. Hardware Dist.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	**Comprehensive Technologies Int'l**, Chantilly, VA Software Development	11794.74	230.25	0.10	11.30	EE	CC	3	205	1980
3	**McBride and Associates Inc.**, Albuquerque, NM Computer Products/Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	**Atlantic Resources Corp.**, Reston, VA Research & Development	7769.34	197.84	0.02	1.95	CC	AA	2	85	1984
5	[illegible], Albuquerque, NM Engr./Scientific Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	**Scientech Inc.**, Idaho Falls, ID Engineering/Mgt. Consulting	5000.00	178.32	0.15	9.00	BB	BB	8	120	1983
7	[illegible] Eyeglass Frames	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	**Simdex Co. Inc.**, Houston, TX Vocational/Technical Schools	1884.97	111.06	0.26	5.23	BB	AA	12	140	1985
9	[illegible], Miami, FL Diversified Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	**TMC Electronics Corp.**, Miami, FL Electronic Parts Dist.	1546.29	101.43	0.18	2.88	BB	BB	2	3	1984
11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	**M&M Automated Services Corp.**, Amherst, NH Computer Supplies	1372.67	95.90	0.26	3.80	CC	BB	3	8	1982
13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	**Odell's Int'l Licensing**, Miami, FL Marketing/Promo. Items	1150.00	88.03	0.20	2.50	EE	AA	3	29	1985
15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	**Mellow Travel Consultants**, Coral Gables, FL Travel Management	1025.00	83.14	1.20	13.50	CC	BB	3	20	1961
17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
18	**Jay Automotive Specialties Inc.**, Berlin, PA Automotive Parts	904.16	78.01	1.29	12.95	EE	CC	15	81	1976
19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20	**E.T. LaFORE Inc.**, Denver, CO General Contracting	798.70	73.14	1.09	9.80	EE	CC	16	45	1977
21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	**Shifa Services Inc.**, Hackensack, NJ Janitorial Services	695.40	67.94	0.65	5.17	CC	CC	80	210	1980
23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	**South Florida Health Alliance**, Miami, FL Medical Supplies	632.56	64.52	1.30	9.52	CC	CC	5	18	1983
25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	**Serrot Corp.**, Huntington Beach, CA Pond/Tank Linings	607.14	63.07	2.80	19.80	CC	CC	46	180	1978
27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
28	**Union General Insurance Co.**, Miami, FL Auto Insurance	532.22	56.57	1.80	11.38	EE	BB	10	52	1985
29	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30	**Eagle Transportation & Warehousing**, Miami, FL Transportation/Warehousing	505.58	56.87	0.61	3.70	CC	BB	9	48	1982
31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	**Tramex Travel**, Austin, TX Travel Services	500.00	56.51	1.50	9.00	CC	CC	5	34	1984
33	[illegible] Engineering	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*In millions of dollars **Profit Range--AA/16% or more, BB/6%-15%, CC/1%-5%, DD/0%-1%, EE/loss Copyrighted © material. Reprinting or copying requires permission from Hispanic Business magazine.

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34	[illegible] Temporary Personnel Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	**Paragon Builders Inc.**, Laredo, TX General Contracting	473.30	54.74	0.40	2.29	BB	AA	1	9	1979
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	**TR Cos.**, Houston, TX Personnel Services	455.92	53.55	1.56	8.68	—	BB	10	46	1984
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	**Main Line Foto Inc.**, Conshohocken, PA Photographic Product Sales	441.67	52.56	1.20	6.50	CC	AA	5	16	1983
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	**Scion Steel Inc.**, Warren, MI Steel Dist.	429.17	51.67	2.40	12.70	AA	AA	4	23	1984
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	**Hernandez Engineering Inc.**, Houston, TX Engineering Services	422.20	51.17	0.71	3.71	CC	CC	6	50	1983
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	**Manny Varas & Assoc.**, Miami, FL Insurance	408.33	50.15	1.20	6.10	BB	BB	96	704	1976
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	**Biomedical Int'l Corp.**, Miami, FL Medical/Lab. Products Dist.	383.80	48.31	0.63	3.04	CC	BB	3	7	1982
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	**Alliance Supply Inc.**, Newton, MA Stocking Dist.	380.00	48.02	0.75	3.60	BB	CC	5	18	1985
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	**Letterpress Unlimited**, Santa Ana, CA Foil Stamping/Embossing	370.00	47.24	0.50	2.35	BB	BB	15	60	1978
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
53	**Northeast Commonwealth Inc.**, Lakewood, NJ Heavy Construction	351.71	45.79	2.10	9.48	CC	AA	12	30	1978
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
55	**Plastec U.S.A. Inc.**, Miami, FL Plastic/Chemical Sales	350.00	45.65	2.00	9.00	BB	BB	3	9	1985
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
57	**Sales Concessions Inc.**, Nashville, TN Food Services	343.30	45.10	0.82	3.65	BB	BB	4	357	1980
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	**Nat'l Commun. Sales Promo. Limited Corp.**, Miami, FL Sales Promotions	338.13	44.68	0.80	3.51	CC	CC	8	28	1982
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	**Miranda Assoc. Inc.**, Washington, DC Int'l Management Services	337.50	44.63	1.60	7.00	CC	BB	30	30	1975
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	**Carrillo Cement Contractor Inc.**, Anaheim, CA Concrete Contracting	324.41	43.53	0.99	4.21	AA	AA	9	46	1978
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	**National Systems & Research Co.**, Colorado Springs, CO Information Systems Services	321.51	43.29	5.60	23.60	CC	CC	162	468	1980
[illegible]	[illegible] Frozen Seafood Importing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*In millions of dollars **Profit Range--AA/16% or more; BB/6%-15%; CC/1%-5%; DD/0%-1%; EE/loss

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THE TOP 100 DIRECTORY

Rank	Company/Location/Type Business	Sales Growth 1985-1989		Gross Sales*		Profit Range**		No. of Employees		Year Started
		Percent Increase	Compound Annual Rate	1985	1989	'85	'89	'85	'89	
67	**World Variety Produce Inc**, Los Angeles, CA Wholesale Produce	[illegible]	[illegible]	[illegible]	[illegible]	—	—	[illegible]	[illegible]	[illegible]
68	**Hugo's Cleaning Service Inc.**, Lisle, IL Janitorial Services	311.18	42.40	2.43	10.00	DD	CC	100	450	1971
69	**Alaniz & Sons Inc.**, Mt. Pleasant, IA Direct Mail Services	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
70	**Ready State Bank**, Hialeah, FL Commercial Bank	304.64	41.83	3.94	15.94	BB	BB	47	133	1983
71	**Equity Temporary Services**, New York, NY Temporary Personnel Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
72	**Precision Trading Corp.**, Miami, FL Consumer Electronics	298.10	41.25	16.08	64.00	—	BB	13	35	1979
73	**Eagle Brands Inc.**, Miami, FL Beer Distribution	[illegible]	[illegible]	[illegible]	[illegible]	—	—	[illegible]	[illegible]	[illegible]
74	**R&R Masonry Inc.**, North Hollywood, CA Masonry Contracting	295.76	41.04	2.89	11.43	BB	—	50	85	1963
75	**El Paso-Fairview Foods Inc.**, El Paso, TX Egg Dist.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
76	**JJJ Floor Covering Inc.**, Whittier, CA Carpet/Floor Covering	294.44	40.93	1.80	7.10	BB	AA	15	35	1964
77	**Maya Construction Co.**, Tucson, AZ General Contracting/Eng.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
78	**Securiguard Inc.**, McLean, VA Security Guard Service	285.74	40.14	2.83	10.92	CC	CC	105	525	1982
79	**Chem-Tech Systems Inc.**, Los Angeles, CA Chemical Storage Facility	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80	**Valor Financial Group**, Miami, FL Life/Health Insurance	274.24	39.09	0.98	3.65	EE	BB	21	54	1976
81	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
82	**Cacique Inc.**, City of Industry, CA Cheese & Meat Mfg./Dist.	269.52	38.85	10.50	38.80	BB	BB	80	195	1974
83	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
84	**Campos Construction Co.**, Omaha, NE General Contracting	257.14	37.47	2.10	7.50	CC	CC	15	48	1977
85	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
86	**R&D Development Inc.**, Chicago, IL General Contracting	253.33	37.10	1.87	6.62	BB	CC	30	65	1977
87	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
88	**Mexican Industries in Michigan Inc.**, Detroit, MI Automotive Trim Mfg.	249.13	36.69	10.90	38.06	CC	CC	135	291	1979
89	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
90	**Apache Construction Co. Inc.**, Albuquerque, NM General Contracting	247.55	36.54	1.49	5.18	DD	CC	20	38	1981
91	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
92	**JCI Environmental Services**, Los Angeles, CA Hazardous Waste Disposal	246.13	36.40	4.25	14.70	—	CC	38	50	1980
93	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
94	**Sardo Corp.**, Novi, MI Concrete Construction	242.82	36.07	3.35	11.50	CC	CC	85	110	1956
95	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
96	**Berbea Inc.**, Buena Park, CA Painting/Wall Covering	233.33	35.12	1.50	5.00	CC	BB	25	60	1976
97	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
98	**Super Max Inc.**, Sun Valley, CA General Contracting	226.67	34.44	4.50	14.70	BB	BB	25	65	1975
99	[illegible] [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	**Intercontinental Metals Inc.**, Miami, FL Aerospace Metals Dist.	216.60	33.39	6.83	21.00	—	BB	18	34	1978

*In millions of dollars **Profit Range--AA/16% or more; BB/6%-15%; CC/1%-5%; DD/0%-1%; EE/loss

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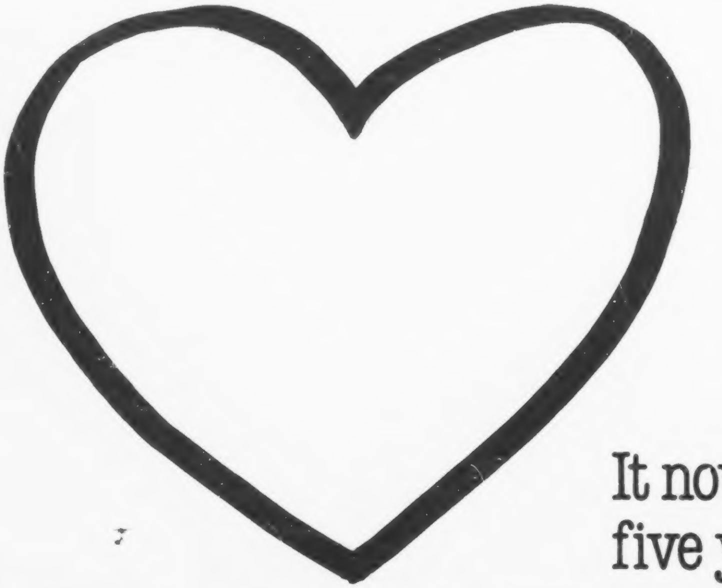

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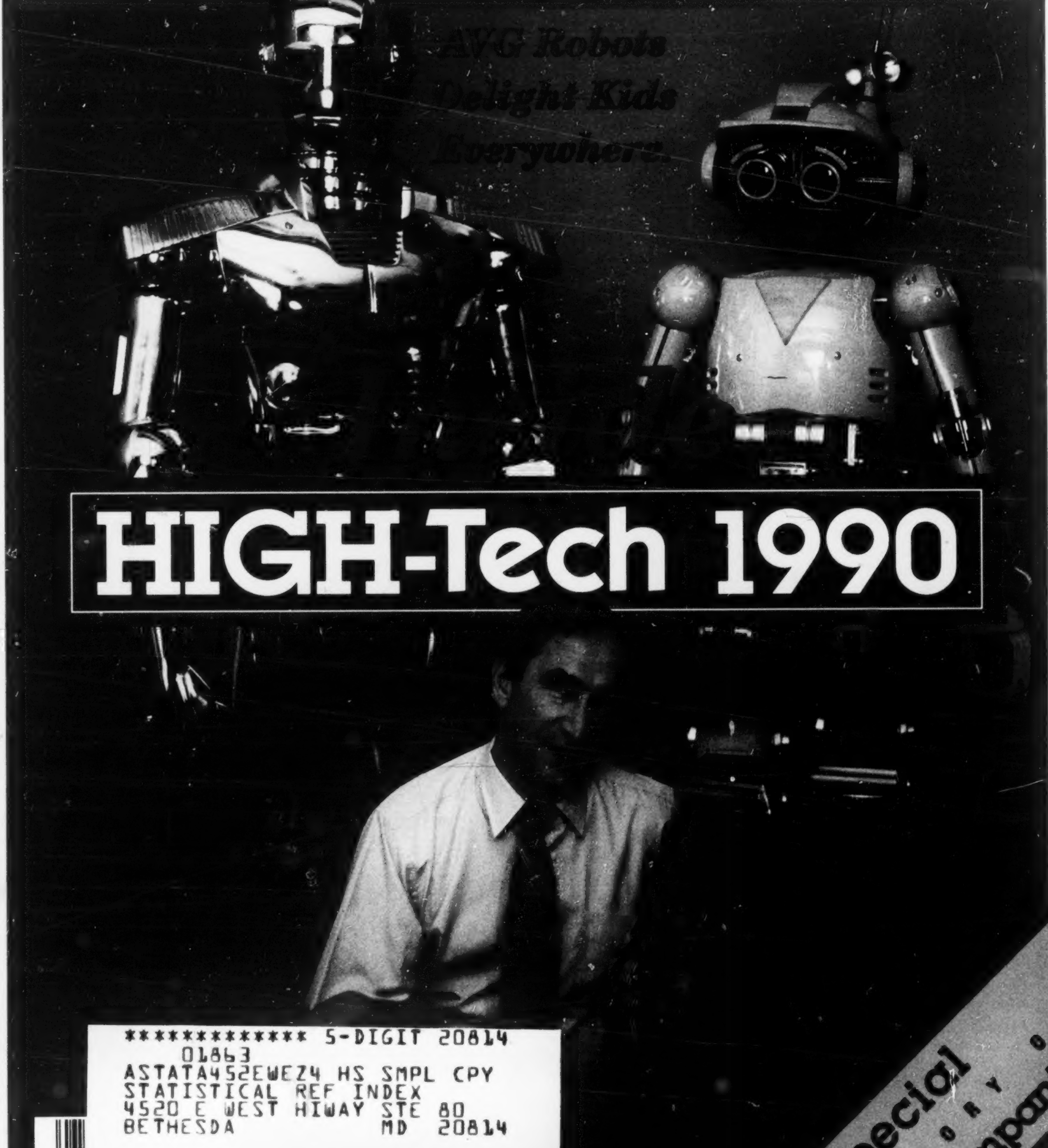

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Saluting Hispanic Heritage Week

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Photo by Emery Brown. Cover design by Buffalo Brothers Studios West. Robots on cover are Mr. Tek and Digit. Humans are AVG President Alvaro Villa and representatives of his target market—sons Alvaro Jose, left, and Juan Roberto.

DIRECTLINE

FEBRUARY
EW YORK N.

This issue should reach our readers just before Labor Day, in the waning days of the summer of 1990. And what a summer it has been.

Iraq's invasion of Kuwait shook our post-coldwar optimism, rising oil prices brought back the spectre of stagflation, and the S&L scandal continued to worsen, if one can imagine that mess getting worse. So the march of international events has posed a sequence of bold challenges to America's global leadership—even as the country's domestic situation continued to deteriorate.

The Fed's chief Alan Greenspan finally caved in during July and dropped interest rates a quarter of a point, in light of continued jawboning from the White House and spreading signs of a standing-still economy. Now we seem to be back to a mindset where almost everyone whose business it is to track the doings of the U.S. economy is saying recession time is around the corner.

Meanwhile the political guys in D.C. continue their meetings, trying to harmonize an acceptable package for deficit reduction and the 1991 federal budget. With congressional and some key gubernatorial elections getting closer, economic news is bound to stay very hot on the griddle in these final days of summer.

But if one visits the national parks or other areas favored by America's vacationers such as Gettysburg, Pa., Williamsburg, or Jefferson's Monticello, one gets the impression that Americans remain positive, even optimistic about the future. Droves of visitors, apparently carefree and indifferent to the goings-on of the power brokers, have swelled attendance at America's national parks, white water rivers, and other national wonders this summer.

But Labor Day will soon be upon us and pass, and in its aftermath the year's busiest quarter will gradually gather steam. Certainly we need a busy quarter. The current string of sluggish quarters, dating back to March 1989, is the longest since World War II.

Even America's lead in high technology seems to be failing, at least in the stock market. On Wall Street, high-tech stocks faltered in the second quarter. Fortunately the Hispanic-owned high-tech firms we're featuring in this issue—all of which are held privately—are generally in sound health.

Although they are in perhaps the riskiest business sector of all, our top 50 high-tech companies increased their overall sales volume 17 percent last year. We've described this performance in our feature story, entitled "State of the Art," and in profiles of two particularly interesting companies.

Fortunately better news is coming from one especially important sector of our society that has been depressed far too long—the public schools.

The good news is that dynamic, experienced, and tough Hispanic leaders are now heading the nation's two biggest school systems. Joe Fernandez in New York City and Bill Anton in Los Angeles both seem to have the qualities needed to bring about the massive changes required.

Chancellor Fernandez is the subject of an in-depth profile in this issue, and we expect to be following up on Superintendent Anton's progress in future issues. Both men have proven they can work "the system" (Mr. Anton has served his for 38 years, most recently as deputy superintendent), and both obviously intend to.

Best wishes, gentlemen.

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State of

The 1990 High-Tech Directory:

50 firms at the forefront of technology.

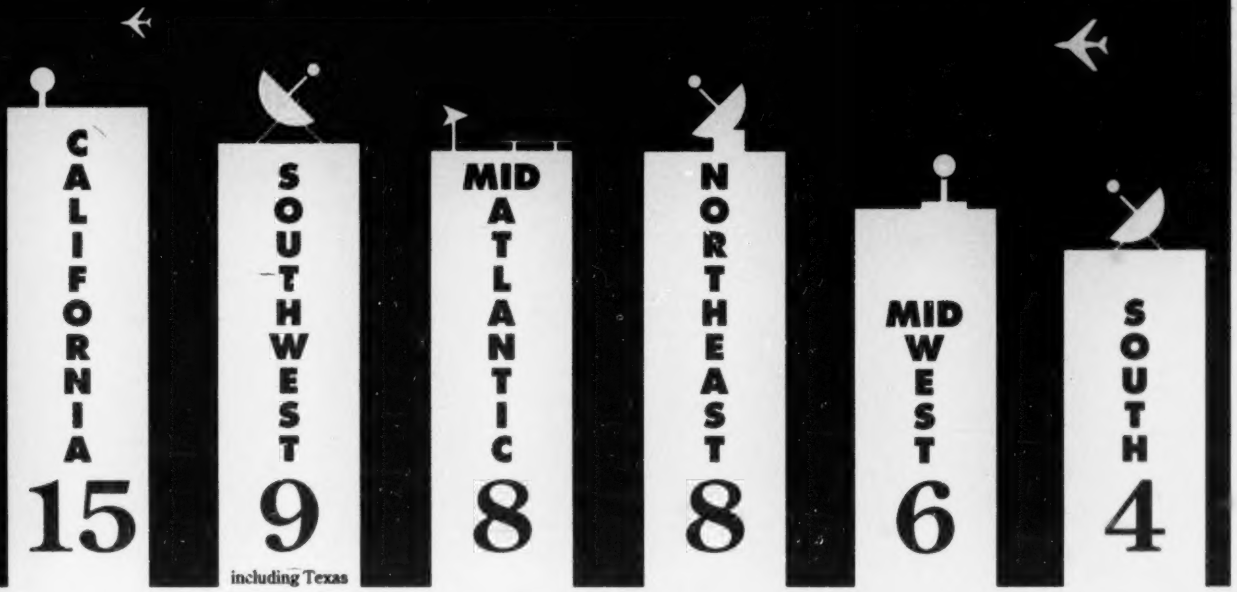
J. Peter Perez is the microbe man. The CEO of Environmental Remediation grows bugs that live to eat environmental waste.

With the biggest risks come the greatest opportunities to score big. And high-tech businesses continue to be among the riskiest. The odds may be a little better than at the gaming tables or roulette wheel, but high technology is infamous for its ups and downs.

Fortunately the direction has been *up* lately for the 50 companies listed in this year's High-Tech Directory. While the typical Hispanic-owned business barely held ground, these 50 companies achieved a 17 percent increase in total sales over

the Art

50 Top High-Tech Companies by Geographic Area



the year before. Nonetheless, this gain can't compare with the 26 percent increase posted by last year's 50 top high-tech companies.

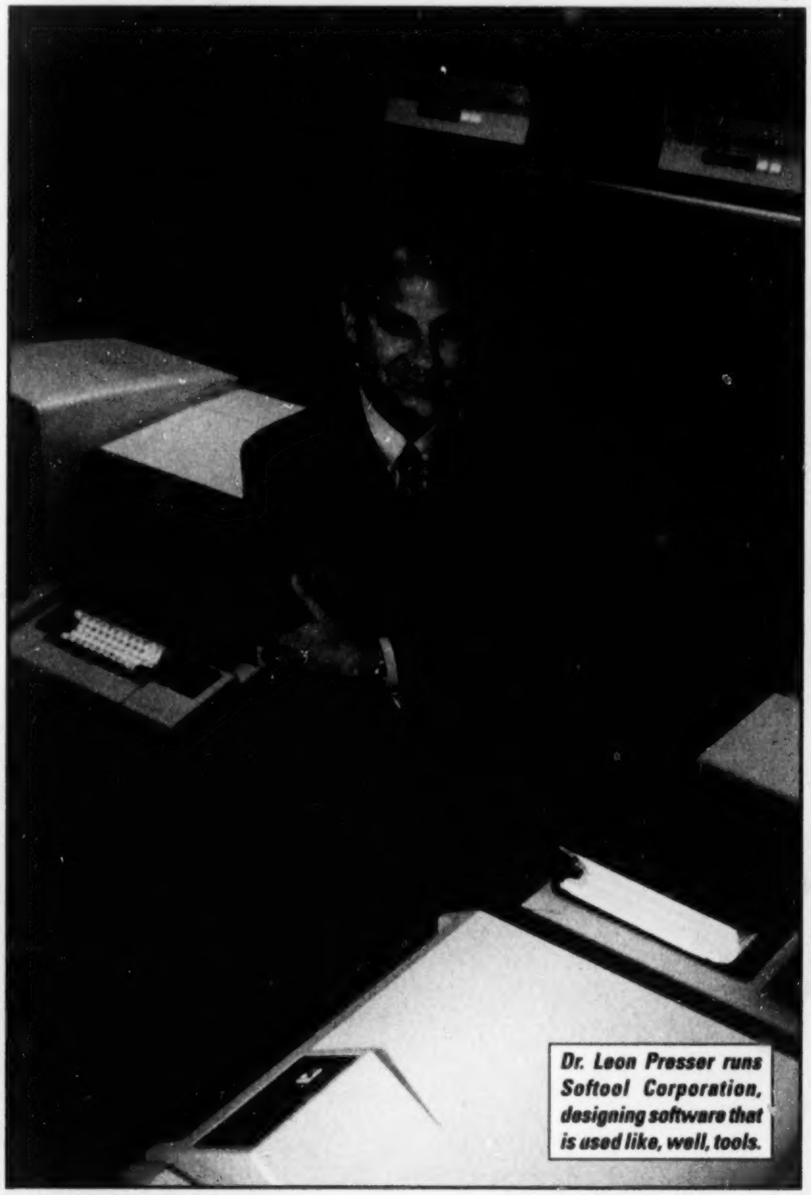
Number 1 on the list for the fourth straight year is CTA Incorporated of Rockville, Maryland. This is the same company that until two years ago was known as Computer Technology Associates of Englewood, Colorado (where CTA continues to maintain its engineering, manufacturing, and test operations). CTA is headed by C.E. (Tom) Velez.

CTA's sales in 1989 were $90 million, up a dramatic 32 percent from the year before. The company is heavily committed to aerospace and defense, according to Sam Ginder, vice president for corporate marketing. The work they do is almost entirely system design and development—for military avionics, space applications, air traffic control, custom mobile communications systems, and training simulators. CTA's two biggest clients are the U.S. Navy, with 32.9 percent of sales, and the U.S. Air Force, with 32.5 percent. The Federal Aviation Administration, with 13.4 percent, and NASA with 11.5 percent make up most of the rest.

Number 2 on this year's list is RJO Enterprises Inc. of Lanham, Maryland, which posted sales of $60.25 million, up a respectable 21 percent from the previous year. It's no accident that the top two high-tech firms are both located in the Washington, D.C. area. RJO, headed by Richard J. (Dick) Otero, has also relied heavily on contracts from the Department of Defense. The company differs from CTA, however, in that management made a conscious decision five years ago to diversify into commercial applications of its high-tech products.

RJO concentrates on "solving problems using computers and telecommunications," Mr. Otero says. While they work with both minicomputers and desktops,

Photo by Roger Shields



Dr. Leon Presser runs Softool Corporation, designing software that is used like, well, tools.

"these days the power of microcomputers [desktops] is squeezing out the mini," he adds. One of RJO's newest products is an optical storage and retrieval system, which this CEO says is "designed to help us win the war against paper." The company makes two versions—one is a CD-ROM, compact disc with read-only memory, and the other is a laserdisc platter system. Each platter stores the equivalent of 240,000 pages of text. Mr. Otero says that one of the first such systems is installed in the White House.

Another defense contractor on our list, Logics Inc. of Leola, Pennsylvania, designs and builds military communications hardware. Although that company's sales growth had stabilized at around $3 million in 1987 after several years of fast growth, and despite the current downturn in Defense Department funding, CEO William J. White believes he is in for another growth spurt. He attributes this projection to new regulations giving incentives to government contractors that subcontract with minority-owned firms, and, more specifically, to the recent advances of four major contractors seeking his company's services.

New to this year's directory is the Softool Corporation, an international software products company located in Goleta, California. President Dr. Leon Presser was teaching computer science nearby at the University of California, Santa Barbara, when he became convinced that one of the reasons for the high cost of software was the time consuming, inefficient, and labor intensive process of development.

Dr. Presser saw a market niche opportunity to provide tools that would simplify the software development process, and founded Softool to do just that. For example, the company's best selling product—its Change and Configuration Control tool—is one of the first programs developed to automate tracking of the changes software companies make in their programs over time. This was particularly important for software used by the government—which requires complete records of any changes made.

All of those companies, and in fact all but one of the 50 companies in the directory, have a computer, electronics, or aerospace twist to their high-tech bent. Thirty-four of them work with computers and electronics; 15 are in avionics. The one company that doesn't fit in these categories is fast-growing Environmental Remediation Inc. of Baton Rouge, Louisiana, which provides an outstanding example of successfully applied high-tech biology. While Environmental Remediation enjoyed attractive sales of $5.4 million last

Richard J. Otero's company manufactures high capacity document storage systems for computers.

year, it has posted $12 million in just the first three months of its current fiscal year.

"Remediation" is a word that President J. Peter Perez guarantees you'll be hearing often in the future. Specifically, environmental remediation refers to the process of cleaning up waste sites the natural way—with bacteria. About 40 percent of the company's business involves growing and selling these bacteria, according to Mr. Perez. The other 60 percent involves actual engineering and field remediation (clean-up) of waste sites. The type of microbe that Environmental Remediation grows was tested recently to clean up oil spilled by the supertanker Mega Borg off the Texas coast. The test was a big success, reducing the volume of oil by 70 percent in some samples, and ensuring solid future demand for the product.

Another business working in the biological sciences—Helix BioCore Inc.—was featured on the cover of last year's high-tech issue, but had sales too small to place it in the directory for 1990. This start-up company, the fourth founded by entrepreneur Manuel Villafana, just initiated a public offering of almost $6.5 million in shares on the NASDAQ market.

Whatever their eventual fates, we salute all of our top high-tech firms as heroes—willing to take big risks in new fields that didn't even exist a few years ago. And because some of these risk takers are sure to reap enormous growth, we look forward to hearing a lot more about them in the years to come.

What is High-Tech?

This directory is the nation's only compilation of Hispanic-owned high-technology firms. To be considered, a company must be at least 51 percent owned by U.S. Hispanics and submit all of the required figures on sales and growth.

But what is "high-tech"? Everyone seems to have a different definition. When we told the editor of a "high-tech" business magazine that we were seeking a definition, all she said was "Good luck!" That publication and others we studied have no precise definition. They depend instead on whether something sounds "high-tech" or would be viewed as such by their readers.

The companies themselves are little better. Some CEOs we spoke with said "Oh, we're high-tech" but all they did was *sell* the products. Does just selling computers make a company high-tech? Well, is a real estate business considered part of the construction industry?

Our working definition of high-tech companies includes firms involved in the development and/or manufacture of products in the highly technical fields of computers, telecommunications, avionics and aerospace, bionics and robotics, and biotechnology.

While we have excluded companies that only distribute (wholesale, retail, or export) high technology products, we have included many service companies that design, develop, install, and maintain high-tech systems—even if they don't actually manufacture the products. These development and troubleshooting companies require teams of engineers and technicians. Overall, our list includes 26 "service" firms and 24 manufacturers.

Our working definition is, admittedly, still somewhat broad and vague. A computer company, for example, may produce anything from a few specific components to an entire information processing network. Therefore our decision to include or exclude specific companies was based on interviews with company representatives. And virtually all of the companies we've included in fact do a lot more high-tech work than we could indicate in the directory's brief product/service descriptions.

HIGH TECH DIRECTORY

Rank	Company	CEO	Product/Service	No. Emps.	1989 Sales*
1	CTA Incorporated, Rockville, MD	C.E. (Tom) Velez	Aerospace/Defense Systems	877	$90.00
2	RJO Enterprises Inc., Lanham, MD	Richard J. Otero	Information/Telecom. Systems	600	60.25
3	Infotec Development Inc., Santa Ana, CA	J. Fernando Niebla	Systems & Software Engineering	718	53.12
4	Colsa Inc., Huntsville, AL	Francisco L. Collazo	Systems & Software Engineering	500	50.00
5	Pacifica Services Inc., Pasadena, CA	Ernest M. Camacho	Systems Engineering	590	35.00
6	Magnet Industrial Group Inc., Milford, CT	John Soto	Diverse High-Tech Mfg.	300	32.00
7	Computer Dynamics Inc., Virginia Beach, VA	R. Alan Fuentes	System Integration & Eng.	450	30.00
8	Advanced Sciences Inc., Albuquerque, NM	Ed L. Romero	Engineering/Environ. R&D	320	29.60
9	J.T. Slocomb Co., South Glastonbury, CT	E. John Gregory	Aircraft Engine Components	340	27.80
10	National Systems & Research Co., Colo. Springs, CO	Celestino Archuleta	Systems & Software Engineering	468	23.60
11	Omniplan Corp., Culver City, CA	R.E. Montijo, Jr.	Technical/Consult. Service	480	19.68
12	Washington Consulting Group Inc., Washington, DC	Armando C. Chapelli, Jr.	Custom Software/System Integ.	275	18.60
13	Barrios Technology Inc., Houston, TX	Emyre B. Robinson	Engr./Tech. Services	420	17.80
14	Gonzalez Design Engineering, Madison Hts., MI	R.J. Gonzalez	Automated Systems & Robotics	335	14.40
15	Government Micro Resources, Chantilly, VA	Humberto A. Pujals	ADP Systems & Software Dev.	29	13.80
16	Comprehensive Technologies Int'l, Chantilly, VA	Celestino M. Beltran	Software Development	205	11.30
17	H-R Industries Inc., Richardson, TX	Paul R. Dickinson	Circuit Board Mfg.	100	11.23
18	Uni-Boring Co. Inc., Livonia, MI	Fecundo Bravo	Precision Design & Machining	100	10.50
19	Softool Corporation, Goleta, CA	Leon Presser	Software Engineering	100	10.00
20	Computer Resource Management Inc., Herndon, VA	Ervin E. Torrez	Systems Engineering	180	9.98
21	Sausedo Metal Products Inc., San Jose, CA	Robert Sausedo	Computer/Telecom. Product Mfg.	103	8.88
22	Quality Printed Circuits Corp., Phoenix, AZ	Robert L. Gonzalez	Circuit Board Mfg.	119	8.29
23	General Transistor Corp., Inglewood, CA	Al A. Barrios	Transistor Mfg./Dist.	22	8.00
24	Pressure Systems Inc., Hampton, VA	Douglas B. Juanarena	Pressure Measurement Instr.	96	7.70
25	Tele-Signal Corp., Hauppauge, NY	Esteban Taracido	Electronics Mfg.	55	7.20
26	Martinez & Turek Inc., Riverside, CA	Larry R. Tribe	Precision Parts for Aerospace	93	7.05
27	Electrical Power Products, Santa Clara, CA	Kytcher Whyte	Switch Gear/Power Panel Boards	35	7.00
28	L&M Technologies Inc., Albuquerque, NM	A.R. Montoya	Custom Computer Eng. & Mfg.	160	6.50
29	Technical Telephone Systems Inc., Staten Island, NY	George Cruzado	Telecom. Systems Development	73	6.20
30	Environmental Remediation Inc., Baton Rouge, LA	J. Peter Perez	Bioremediation Services	70	5.40
31	Ram Enterprises Inc., Valencia, CA	Marline Monstein	Data Communication Sys. Mfg.	21	5.20
32	Cordoba Corp., Los Angeles, CA	George L. Pla	Systems Development	100	5.00
33	Thermionics Laboratory Inc., Hayward, CA	John J. Trujillo	Ultra/High Vacuum Products Mfg.	80	5.00
34	Emergency 24 Inc., Chicago, IL	Dante Monteverde	Electronic Security Systems	130	4.80
35	Alamo Technology Inc., San Antonio, TX	Doroteo Chavarria	Electronic/Aerospace Eng. & Mfg	50	4.58
36	Peco Enterprises Inc., Davenport, IA	Frank L. Granados	Software Development	73	4.55
37	Power Energy Industries, Carson, CA	Ernest R. Schoop	Electrical Equipment Mfg.	65	4.20
38	Telesound Systems Corp., Miami, FL	Peter E. Padron	Telecom. Systems	36	4.20
39	A/S/K Assoc. Inc., Lawrence, KS	Ken Martinez	ADP Design, Dev. & Support	200	4.00
40	Deneba Systems Inc., Miami, FL	Manuel E. Menendez	Software Development & Mfg.	30	4.00
41	Hydro-Pneumatics Inc., Deer Park, NY	Gerard F. Lopez	Hydraulic/Pneumatic Systems	18	4.00
42	Craftsmen Corp., Smithtown, NY	Alejandro Salas	Integrated Logistics Engineering	42	3.90
43	AVG Inc., Valencia, CA	Alvaro J. Villa	Robotics Equip. for Entertainment	40	3.80
44	Hernandez Engineering Inc., Houston, TX	Miguel A. Hernandez	Aerospace Eng. & Services	50	3.70
45	Orion Int'l Technologies Inc., Albuquerque, NM	Miguel Rios Jr.	Engineering & Scientific Services	55	3.63
46	Supreme Gear Co., Roseville, MI	Charles F. Diaz	Aircraft & Ordnance Components	50	3.60
47	W.M.Z. Manufacturing Co. Inc., East Hartford, CT	Magno Palacios	Aerospace Component Mfg.	45	3.30
48	California Jig Grinding Co. Inc., Pico Rivera, CA	Daryl R. Craig	Component Modif. for Aerospace	30	3.00
49	Logics Inc., Leola, PA	W. J. White	Communications Mfg.	22	3.00
50	Omega Precision, Santa Fe Springs, CA	Joseph M. Venegas	Aerospace/Precision Machining	43	3.00

*In millions of dollars. Copyrighted © material. Reprinting or copying requires permission from Hispanic Business magazine.

Go To School! Get A Job!

Last year 119,000 Hispanics graduated from U.S. high schools. Of these, 63,000 (about 53 percent) are now in college, and virtually *all* of the college students have a job too—according to a Labor Force Status report from the Bureau of Labor Statistics. By comparison, of 1,306,000 mainstream graduates, 599,000 (46 percent) are in college, and less than half of the mainstream college students (40 percent) are holding jobs. Finally, of 162,000 black 1989 graduates, only 48,000 (29 percent) are in college, and 19 percent of these are working students. The average work week was 20 hours for the salaried students. What about the youngsters who graduated from high school but did not go to college? About 75 percent of the mainstream grads have work, 55 percent of the blacks, and 49.4 percent of the Hispanics. The report concludes that success in the job market often depends on educational attainment—a truism, but one that's getting truer every year.

Coming From Behind

The "traditional" income gap between male and female college graduates is closing, according to the Census Bureau. A look at the figures for the past 20 years, adjusted for inflation, reveals an interesting picture. Back in 1968 the median cash income for college-educated men was $35,300 (in inflation-adjusted dollars) and for college-educated women it was $16,600. But by 1988 the women's median income had made it to $20,500—a gain of almost $4,000—while men had inched up a meager $400, to $35,700. Thus women today are getting more out of their college degrees, but are still making far less than men. The report further shows that women are more likely to work part-time or in clerical and service jobs that pay less, and are still less likely to have a job at all. At the same time, the inflation-adjusted median income for men with no college at all fell from $24,300 to $21,200, while the median for women in this group went from $9,600 to $9,700. Thus women in all educational groups showed an increase.

Wanted: Minority Teachers

The Education Commission of the States has come to an unsettling conclusion. The nation's elementary and secondary school teachers will be virtually "all white" (95 percent) within 10 years. That is, unless strenuous measures to promote minority teacher education are taken. The commission—a group of educators and political leaders representing every state except Montana—has released a report titled "New Strategies for Producing Minority Teachers." The report says that without a joint effort by leaders at various levels, the number of minority teachers will not increase. Currently only 10 percent of teachers are members of minority groups, while 20 percent of all students are minorities—35 percent by the year 2000. The report advises state education boards, school districts, colleges, and others to begin seeking minority candidates now, offering them higher starting salaries.

Headhunter Update

HispanData is a resume database service that connects corporations with qualified Hispanics, and may just be a leading indicator of corporate hiring trends. The fast-growing service, founded less than two years ago, has more than doubled both its number of corporate participants and placement rate in just the past six months, says Project Officer Lysa Kessman. HispanData's corporate clients—which include an increasing number of ***Fortune*** 500-size companies such as American Express, the Southland Corporation (7-Eleven Stores), Dean Witter Reynolds, and Warner Bros. Inc.—participate in the service by purchasing one-year subscriptions. "HispanData has provided several very good applicants," reports Gary Luckow, director of recruitment at Warner Bros. "And I got lots of support," adds recent Warner Bros. hire Margarita Talleda, now the director of international advertising and publicity for Latin America. "HispanData is very professional."

Hispanics in the Work Force

The Bureau of Labor Statistics reports that Hispanics make up 7.3 percent of America's total nonmilitary work force over the age of 16. The following listing provides a breakdown of Hispanic percentages for selected occupations.

Occupation	Hispanics	Occupation	Hispanics
Executives & Managers	3.7%	Private Security	5.8%
Architects	5.8%	Food Services	12.0%
Engineers	2.3%	Health Services	6.5%
Natural Scientists	2.7%	Cleaning Services	15.8%
Physicians & Dentists	4.4%	Mechanics & Repairers	7.4%
Teachers	3.7%	Construction Trades	8.8%
Lawyers & Judges	3.3%	Precision Production	9.4%
Writers	1.6%	Machine Operations	14.3%
Musicians & Composers	5.3%	Fabrication	12.7%
Actors & Directors	3.8%	Production Inspection	11.0%
Athletes	6.3%	Motor Vehicle Operation	7.8%
Sales Representatives	5.2%	Other Transportation	3.8%
Sales Workers	6.5%	Moving Equipment Operation	3.7%
Admin. Support & Clerical	6.4%	Handlers, Helpers, & Labor	11.6%
Household Services	15.8%	Farming, Forestry, & Fishing	13.9%

(Source: Bureau of Labor Statistics—1989 Annual Average Tables from the January 1990 issue of "Employment and Earnings.")

OCTOBER 1990

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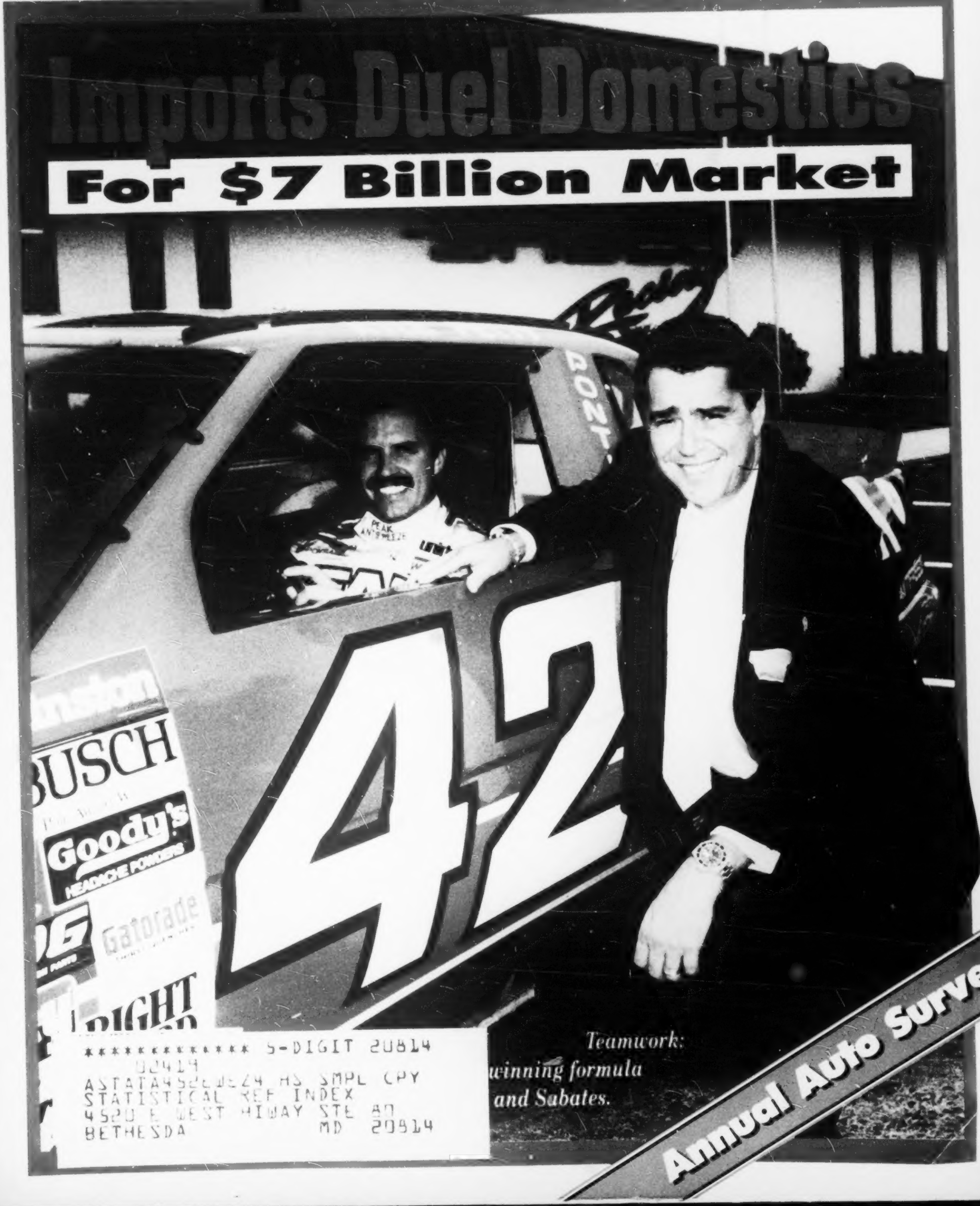
Hispanic BUSINESS

Imports Duel Domestics For $7 Billion Market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HispanicBUSINESS®

The magazine for growth companies and ladder-oriented professionals
October 1990 Volume 12, Number 10

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Sabco Racing Inc. driver Kyle Petty and CEO Felix Sabates.
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DIRECT LINE

EBRUARY
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According to the most recent figures available, tiny Japan took over the number one position as world manufacturing powerhouse back in 1988. Sales by Japan's manufacturing firms, reports the *Los Angeles Times*, were greater than sales of all U.S. manufacturers for the first time ever in that year: $2.78 trillion for Japan to $2.61 trillion for the United States. Therein lies the proper perspective for understanding this month's cover story.

For the longest time, marketers active in the U.S. Hispanic consumer segment have touted as a given the "brand loyalty" of U.S. Hispanic consumers. Once Hispanic consumers commit to a brand, so the litany went, they can be counted on to stay loyal. That's not so in the automotive marketplace, says our lead article and all of the research data arrayed in this issue.

Steve Bergsman's story analyzing "Sharewars in the Showroom" clearly shows that Japanese auto manufacturers have significantly eroded the predominance of American automotive products in the country's main growth target market. The apparent cause for this shift in consumer behavior comes as no surprise: price and quality. The bottom line seems to be that Hispanic consumers can be as discriminating as the next fellow. The Honda Accord is one of the hottest sellers among Hispanics.

Further, a nationwide survey of Hispanic car buyers done for *Ward's Auto World* magazine shows that 5 percent of those now owning American-made cars plan to turn to exports the next time they go shopping.

But don't count American products out of the competition yet. Ford, Chevrolet, Lincoln-Mercury, Cadillac, Pontiac, and Dodge remain strong competitors. Indeed, perhaps no other industry is currently undergoing as much change worldwide as is automotive manufacturing, and the change is at various levels: technological, management organization, and corporate interpenetration. The Japanese increasingly manufacture in the United States, General Motors is co-venturing with Toyota, Ford owns a piece of Mazda. In fact, as international management experts like McKinsey & Company's Kenichi Ohmae are constantly reminding us, the notion of "national industries" is pretty much obsolete.

The market research firms of R.L. Polk and J.D. Power extended **Hispanic Business** incredible cooperation in facilitating data collection and analysis for this issue. But the magazine's own research department, headed by Joe Wells, produced a credible and original suite of data on the automotive consumption of Hispanic businesses that fills an important vacuum. And next year, Joe Wells promises, we will be even more innovative.

Based on the Polk and Power studies we conservatively estimate that Hispanics are spending around $7 billion annually on new family vehicles. Then, given our conservative estimate that the nation's 350,000 or so Hispanic companies spend $3 billion on new vehicles each year, the new-vehicle pie would be worth, at the very least, $10 billion.

If some readers come away feeling a bit nostalgic about America's past global economic leadership after reading through this issue, they shouldn't go away sad. From where we stand, it looks as though stiff competition is about the best thing that could happen to American industry at this juncture.

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COVER STORY

SHAREWARS IN

SHOWRO

TOYOTA OVERRUNS CHRYSLER'S POSITION IN THE U.S. MARKET

By Steve Bergsma

With models like the Mustang, Ford manages to keep a grip on a big share of the growing U.S. Hispanic auto market, with 14.3 percent.

Toyota seems to be doing everything right these days. While U.S. car sales are down 2 percent, Toyota's sales have skyrocketed 45 percent. The company's 1990 unit volume in the U.S. will not only top Honda's for the first time in many years, but should surpass Chrysler's to become the new number three after General Motors and Ford.

On a nameplate basis, Toyota is number three in the Hispanic market too, according to a study by R.L. Polk & Co. in Detroit. Polk puts the Ford nameplate first, with 14.3 percent of the Hispanic auto market in 1989, Chevrolet second with 11.7 percent (although Chevrolet claims a 15 percent share, counting its largely Japanese-made Geo), and Toyota third with 10.4 percent. While Toyota held the third spot with Hispanics in 1988 as well, it improved its share from 9.7 percent last year.

With regard to individual models, Toyota was the only car manufacturer to finish with three in the top 10 models sold to Hispanics last year: the Corolla at number five with 8,369 sold, the Camry at number seven with 6,664 sold, and the Tercel at number nine with 5,537 sold.

And the company is not being complacent. Advertising expenditures in the Hispanic market are up 40 percent for this year, and will be doubled in 1991. Toyota is working the community relations arena as well, heavily supporting Hispanic scholarships. According to Flaurel English, Toyota's research director, "Network TV and radio is about 59 percent of our [Hispanic] advertising budget; spot TV and radio about 33 percent. We do some opportunity advertising in sports, such as the World Cup soccer matches. We also have an aggressive print plan. Community relations and sponsorships have probably increased about 25 percent."

While "measuring how effective we are in each market is not an exact science," Ms. English explains, "our research tells

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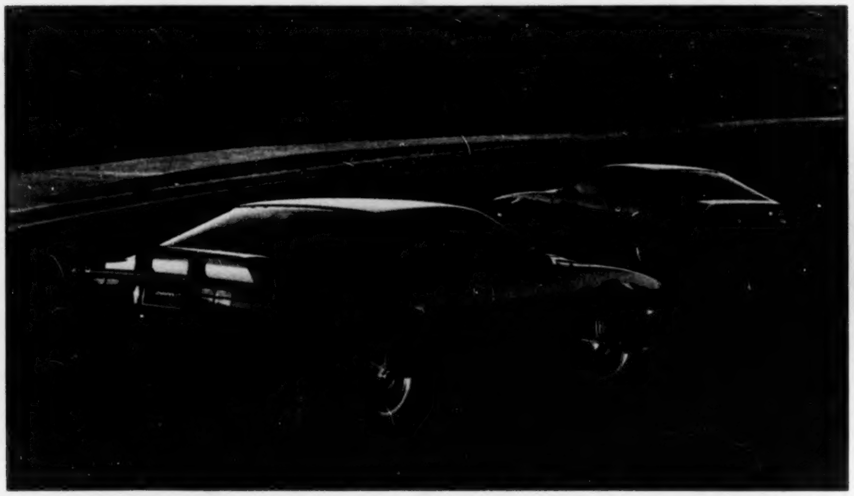
The popular Toyota Corolla is one reason Toyota's sales have displaced Chrysler for third place and exceeded Honda's for the first time in years.

us our awareness is up among Hispanics. Our sales, quite frankly, are positive enough that we know we are having an impact on that segment."

But Toyota isn't the only foreign car maker doing well in America. Those who've seen Honda's commercials on the Spanish language television networks have been told that "Something big is happening!" Honda, which places fifth in Hispanic market share, took a greater leap forward last year than any other maker in this segment. In 1988, it had 7.9 percent of the market; by the next year that number vaulted to 9.3 percent. The Honda Accord is the fourth best selling brand to Hispanics, with 10,836 sold last year, by comparison with 7,839 in 1987. The Honda Civic is the sixth best selling brand, but with sales of 7,097 in 1989, it saw a tiny decline from the 7,114 sold in 1987.

Honda began to do targeted marketing to Hispanics for the first time this year. "It took a while for Honda to get into the market, not because they were ignoring Hispanics, but because they wanted to see what was the best way to get in," says Jim Shaw of La Agencia de Orci & Asociados, which handles the Honda account. "They did a lot of research on how to get into the market. Honda wanted to make sure that when they entered the market, they entered it well."

The company's main goal is to establish itself in the community, Mr. Shaw says, to establish itself as a corporation that has earned the right to sell cars to Hispanics. So, along with its advertising, Honda also is now involved in a lot of community awareness efforts. For example, the company cooperated with MALDEF (the Mexican-American Legal Defense & Educational Fund) in producing a Spanish-language commercial that explains the benefits of the Census and why people should take part. It is also sponsoring art and cultural programs. "Our interest," Mr. Shaw says, "is in letting people know that Honda is around and that Honda really cares about



Chevrolet excells in the Hispanic market, with much of its success due to sportier models such as the 1991 Chevrolet Camaro.

MARKET SHARE of TOP CAR LINES IN U.S. HISPANIC MARKET*

LINE	1989	1988
Ford	14.3%	13.2%
Chevrolet	11.7	11.7
Toyota	10.4	9.7
Nissan	9.5	9.6
Honda	9.3	7.9
Hyundai	6.1	8.3
Pontiac	5.8	5.5
Oldsmobile	3.9	4.0
Buick	3.3	3.2
Mercury	3.2	3.2
Mazda	2.9	2.8
Dodge	2.8	2.9

** Sources: Univision and R.L. Polk & Co.*

the community it is doing business with."

For whatever reason, the foreign car makers, and especially the Japanese, have made considerable inroads into the Hispanic passenger car market in recent years. Just four years ago, American car makers were estimated to control 75 percent of the Hispanic market. Today that's about 51 percent. In 1985, only four of the top 10 models sold to Hispanics were imports. In 1989, it was seven.

In fact, according to a study by R.L. Polk & Co., Hispanic buyers were much more likely to purchase an economy import class of car than were non-Hispanics. This is probably due to the Hispanic concentrations on the coasts, especially in Southern California, where imports are strong, and to the population's relative youth. In descending order, Hispanics are much more likely to purchase a Nissan, Toyota, Volkswagen, Honda or Mazda than their non-Hispanic counterparts.

But there is an important Hispanic market for full-size luxury cars as well. Polk also notes that 47 percent of the Hispanic buyers are professional, technical, and business people. The most popular of the luxury cars are Cadillac, followed by Oldsmobile, Buick, and Lincoln.

Overall, the domestic manufacturer's brand Hispanics are most likely to purchase is a Ford. Ford, with 14.3 percent of the Hispanic market, is solidly the most popular auto maker and continues to strengthen its position—up from 13.2 percent in 1988. Outside of Honda, it has made the greatest leap forward.

Whereas companies like Honda are now just getting involved in community programs, Ford has been there for years. As Donna Stella of Ford Division Contemporary Marketing notes, "There is a lot of overlapping. We work closely with our advertising, public relations, and urban affairs departments. We do numerous events, focusing our emphasis on Los Angeles, Chicago, Texas, and Miami."

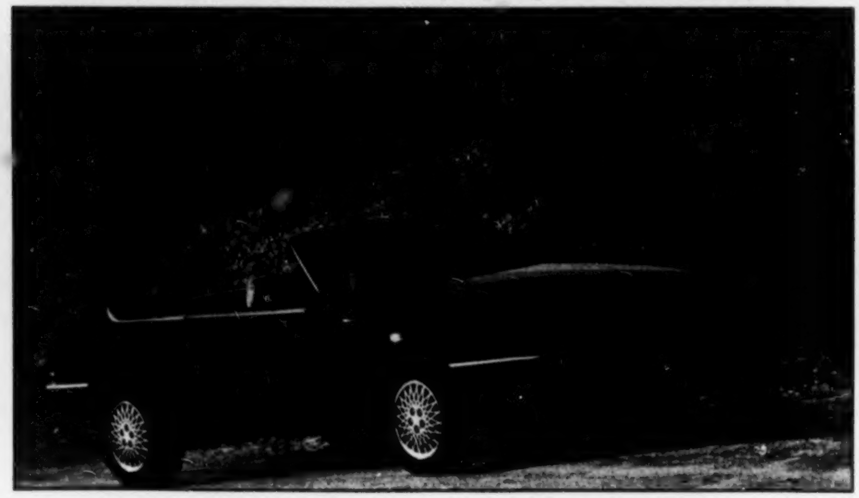
For example, Ford sponsors a slew of Hispanic festivals, the company is always at trade shows, and it sponsors many community programs like book drives. This year it is sponsoring the Hispanic American Family of the Year Award. "Our spending in the Hispanic market has increased steadily," Ms. Stella concludes firmly.

Ford's Escort, with 11,176 units sold last year, is the top selling domestic brand in the Hispanic market (and third, counting foreign makes). That's up from 9,079 two years ago. In addition, Ford's Mustang and Probe lines have a better share in the Hispanic market than in the non-Hispanic market.

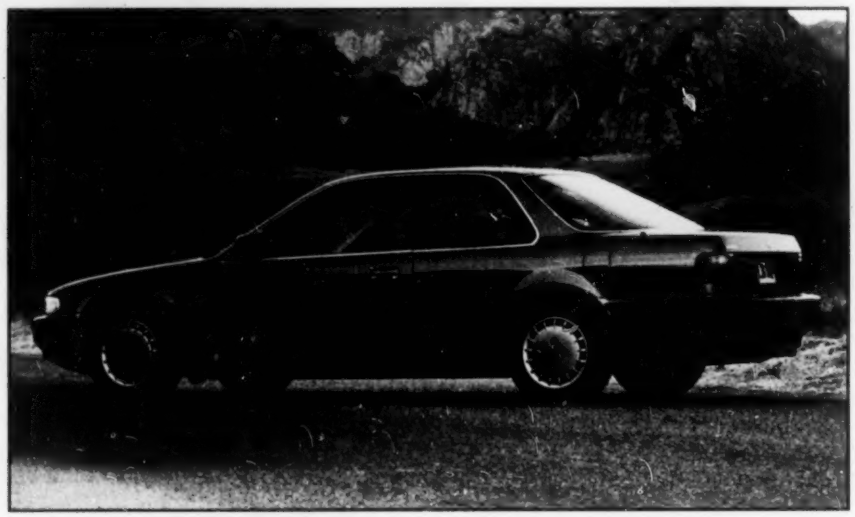
While Ford had been dividing its Hispanic market advertising effort among five or six different vehicles, under the guidance of the advertising firm of Mendoza, Dillon, the company has adjusted its strategy to focus primarily on one or two models. In 1991, for example, Ford will emphasize the Escort and Explorer, giving a secondary emphasis to its Ranger, Festiva, and Probe.

"We have to look at the market more carefully than we've done before," notes Mendoza Dillon's Ingrid Otero. "We try to use our dollars more efficiently, meanwhile keeping an eye on the competition to see how it will affect our next model year as to the vehicle we should be advertising or the amount we should be putting into each medium."

In the old days when the domestic car makers dominated the American market



Classy and exciting, the 1991 convertible Chrysler Le Baron GTC is the Chrysler most often purchased by Hispanics.



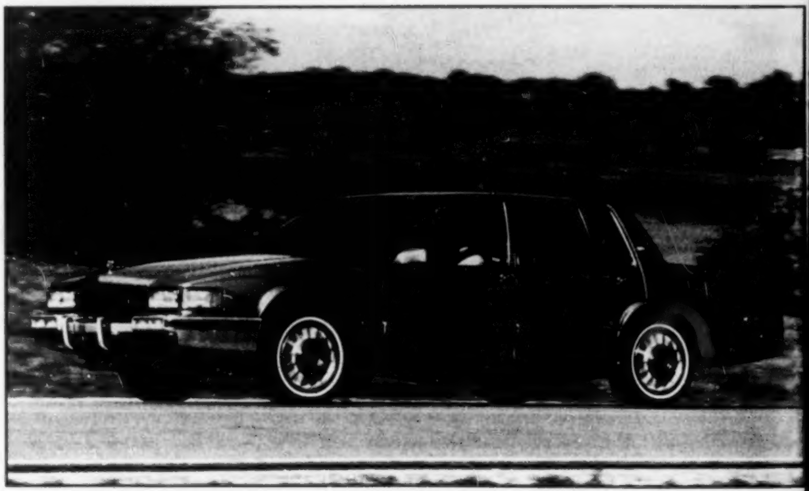
The Honda Accord continues to be an increasing favorite of Hispanics. In 1988, it had 7.9 percent of the market and in 1989 it had 9.3. The Honda shown is a 1990 model.

and the myth of the loyal Hispanic consumer prevailed in advertising circles, the car line that seemed to grip the Hispanic market most, especially younger people, was the Chevy. The car was sporty and easily altered to enhance its look.

Chevrolet still does well in the Hispanic market, and a lot of that success can be attributed to the appeal of its sportier models. The company considers itself to be number one with Hispanics, citing a 15 percent market share in 1989, including sales of its Geo nameplate. The Geo is made in three plants—two in Japan owned by Suzuki and Isuzu, respectively, and one in California that is a joint venture with Toyota. In 1990, the company expects the combined Geo/Chevrolet percentage to go up one notch, to 16 percent.

Until 1989, Chevrolet's market share had been slipping. Lynne Dailey, assistant manager of Chevrolet's passenger car advertising, comments, "we did a great deal of advertising in terms of new products. Last year we were back in the market with a lot of variety, which brought us back to prior levels [of market share]." Chevrolet has "definitely increased" the dollars it pumps into Hispanic marketing. A lot of that money has gone into television, including heavy advertising on the Univision network during the World Cup soccer matches. The company has been aggressive not only with the national Spanish-language networks but on a regional basis as well—especially in the big Mexican-American markets.

"I don't have the complete numbers yet," Ms. Dailey says, "but based on what I've looked at, my best guess is we've picked up additional market share all across the board. I believe with some of the things we have done nationally and with local dealer groups, we've picked up some of the market. In California and Texas, we've really hit pretty hard and part of that is going to pay off."



When it comes to luxury cars, the Cadillac de Ville takes first place. Cadillac's popularity is growing along with the expanding high income Hispanic segment.

Although Chevrolet is behind Ford and Pontiac in the R.L. Polk survey of cars Hispanics are more likely to purchase, the company has a good deal of underlying strength in the market. Of the top 10 vehicles sold to Hispanics, two models were Chevrolets: the Cavalier at number eight with 5,610 units sold (up slightly from 1987), and the Camaro at number 10, the only sports car on the list, with 5,339 units sold (up substantially from two years before). In addition, the Camaro is the domestic car model with the greatest edge in relative penetration of the Hispanic market versus the non-Hispanic market.

While the rise in Hispanic purchases of foreign imports clearly demolished the concept of unusual brand loyalty among Hispanics, the Chevy sports car does seem to retain its popularity. Still, Chevrolet's Ms. Dailey cautions, "you can't always pinpoint why a particular product is of interest to a specific group."

Chrysler would like to find that particular product. None of the Chrysler Corporation lines, whether it be Plymouth, Dodge, Jeep, or Eagle, has a top 10 share in the Hispanic market. The company's biggest success is the Dodge line at position 12, with a 2.8 percent share of the

Sales of the Mercury Tracer helped place Mercury on the list of top car lines sold to the Hispanic market in 1989.

market. Part of Chrysler's problem has been its tardiness in advertising to the Hispanic market. The company took its first tentative steps in print advertising only about five years ago. Now it does a lot in television.

Mary Suchara, corporate advertising program manager for Chrysler, says the company's advertising budget for the Hispanic market has increased dramatically, and she is looking toward a big push for the new model year. "We are developing more TV than we have in the past, and it will be more encompassing," she says. "We will be able to do a little more in the community, so we are really looking forward to kicking the new model year off in October."

Certainly Chrysler's community involvement-type marketing is still at a low level. Ms. Suchara explains that the company has sponsored community programs on a very limited basis. "We are just getting started on those types of things," she says. "But it certainly hasn't grown to the same significance as our overall advertising penetration has."

The Dodge Grand Caravan, created for upscale consumers, topped all competitors in a study of U.S. customer satisfaction this year.

Chrysler's advertising approach to Hispanics is interesting, in that it promotes the whole range of the company's lines, but focuses on different models in these lines from year to year. This focus is based on ongoing research to determine which models have the most appeal.

Now, the company definitely feels its Hispanic market share is increasing. As Ms. Suchara emphasizes, "we are on a growth trend."

Well, if everybody's on a growth kick, who is losing? Someone's share expansion has to be the result of someone else's loss in market share. After all, 100 percent can only go so far. To understand which company is taking a dive in market share, one needs to know a little bit about the Hispanic auto market as depicted in statistical reports.

As noted, the largest segment of the Hispanic market is much more likely to buy an economy car. As a younger group, it includes a large population of professionals who have not reached their peak in buying power. It also includes a large population of immigrants and first generation individuals, who also are working their way up the salary scale. When R.L. Polk looked at the occupations of Hispanic heads of households that were buying automobiles, it saw a somewhat larger percentage of blue-collar workers in the Hispanic segment. Further, while there is a large and obviously expanding Hispanic population making $50,000 and over, the median income of the Hispanic car buyer was a bit lower, at $31,400, than that of non-Hispanics, at $35,900.

Chevrolet's Ms. Dailey also notes, "The younger age group is where the majority of purchases are coming from—and from many of the markets where small cars are important. When you look at the part of the Hispanic population that is purchasing vehicles, it is younger and concentrated in areas where you want to consider a small car—like Los Angeles,

Sleek and racy will define the Pontiac Firebird Trans Am: one of the General Motors cars that have done well in the Hispanic market.

San Francisco, Miami. These are crowded metros where you really don't want to be driving a big car."

With all that in mind, it's easy to see why eight of the 10 best selling vehicles to Hispanics were essentially economy cars—the only two that were not were the Chevrolet Camaro and the Honda Accord. Of the 12 specific car lines that have double or more the market share among Hispanics that they have among non-Hispanics, almost every vehicle on the list was an economy car. These include the Nissan Sentra, Hyundai Excel, Chevrolet Celebrity (Mexico), Toyota Tercel, Honda Civic, Isuzu Mark I, Plymouth Colt, Mitsubishi Mirage, and Yugo.

Cutthroat competition is occurring here at the lower end. One of the biggest losers has been Hyundai. In 1987, Hispanics bought 18,455 Hyundai Excels. Two years later the number was 12,617. Market share dropped from 8.3 percent in 1988 to 6.1 percent in 1989, and should decrease further as the subcompact market gets more crowded.

Maurice Bowen, national advertising manager with Hyundai, says the company's share losses in the Hispanic market are simply a reflection of what is happening in the overall market. "When we started in business in 1986, we were filling a vacuum," he says. "There were fewer and fewer models in the sub-compact segment of the market. But our competitors were fairly quick to respond, and within a couple of years we had a whole bunch of entries into that segment."

The Hyundai was an entry level car that was sorely needed in some markets, and probably in the Hispanic market, because it succeeded there very nicely even though Hyundai did only general market advertising, a practice it has not changed. "The tremendous success with Hispanics in the first several years was directly through the general market efforts we were making," Mr. Bowen confirms.

Oldsmobile is one of the most popular nameplates with Hispanics, and the Cutlass Ciera Sedan is the most often purchased Oldsmobile in this market.

Another auto maker that might also lose market share is Nissan. While other companies have improved, Nissan's share stayed the same from 1988 to 1989, despite the market growth of its Sentra model. The Sentra is not only the best selling vehicle to Hispanics, but is the vehicle with the biggest differential in share between the Hispanic and general markets. Nissan didn't return calls to HISPANIC BUSINESS, but *Ward's Auto Dealer* magazine noted in 1989 that its Hispanic advertising efforts in 1990 would be about the same as the year before. This is at a time when all three domestic manufacturers will be coming into the market with bigger budgets and wider presence. In addition, Toyota will be introducing a direct competitor to the Sentra—a brand new Tercel—in 1991, and plans to be extremely aggressive in the Hispanic market with it.

Among the domestics, the non-Chevrolet General Motors vehicles had very little impact with Hispanics until the late 1980s, and such lines as Oldsmobile and Buick might well be concerned about holding the market share they presently command. The best performing non-Chevrolet GM line has been Pontiac (5.8 percent market share); chiefly because of the sportier Trans Am and Fiero.

Overall, this year is expected to be a real dogfight in the Hispanic market. As Orci & Asociados' Mr. Shaw notes, "It's not just the foreign dealers. Ford and Chevrolet are in it. Chrysler has increased its activity. New people—Volkswagen, Mitsubishi—are in the market. Mazda has come in with force. The market has increased substantially since last year, and 1990 will a tough year."

The picture in the truck market is different. While the American makers have seen their wide advantage over foreign car imports dissipate in the Hispanic market, domestic *trucks* still dominate strongly.

During 1989, 167,628 trucks of all types were sold to Hispanics. Of these, 57,803 were sold in California, 30,843 in Texas, and 11,063 in Florida.

According to an R.L. Polk study, Ford has a 40.9 percent market share, and Chevrolet has 38.9 percent. Of the foreign truck makers, only Toyota has a measurable share of this market, at 3.3 percent.

Ford and Chevrolet both also enjoy more than a 24 percent share of the Hispanic light truck market—an arena where foreign companies have pushed very hard. Toyota has an 11.7 percent share in light trucks, and reports spending about 60 percent of its budget for Hispanic market advertising on cars, 40 percent on trucks. Next in terms of light truck share come Dodge (8 percent), Nissan (7.7 percent), Jeep (5.5 percent), GMC (5.4 percent) and Mazda (4.1 percent).

As Flaurel English of Toyota says, "We would like to think that by focusing our [Hispanic] advertising on the Corolla, Camry, and 4x4 and 4x2 pickups we've been able to reach the audience that buys these vehicles." It has.

Nevertheless, the domestic makers have steadily increased their share of the light truck market both overall and for Hispanics. In 1986, imports grabbed 40.5% of the Hispanic market. In 1989, it was 29.4 percent. What next?

"PLENTY OF NADA"

Automotive Executive magazine's annual "NADA Data" report (based on information from the National Automobile Dealers Association) shows that U.S. dealership sales were up slightly in 1989—about 1.4 percent—for a total of $304 billion. New vehicles accounted for 62 percent of that total, used vehicles 23 percent, and service and parts 15 percent.

Sales dollars showed limited growth because new vehicle volume was stagnant while prices were increased only modestly, and sales of used vehicles, service, and parts grew only 3 percent (by comparison with double digit advances in 1987 and 1988).

At the same time, the profits on auto industry sales deteriorated. The average profit margin was a scant 1 percent—down from 1.7 percent in 1988, and the lowest since the 1980 recession. What's worse, some 25 percent of all dealerships, or one in every four, lost money. There's "a definite decline," says Tom Webb, chief economist of NADA's Industry Analysis division. In fact, says Mr. Webb, the composition of dealership profitability has changed since 1987, so that "profits are more from the smaller parts of the business—that is, from service, parts, and used vehicles—than from new vehicles."

The culprit in this equation was expenses, which increased proportionately with sales dollars, eating away at profitability. For example, dealers spent about $261 on advertising for each new vehicle sold last year—shelling out an average of $154,000 on total advertising. "There are all these dealers and just so many radio spots, so prices go up," says Julio Lence, owner of Lence Nissan and Lence Daihatsu in Denton, Texas. "The small guy sits out here and can't afford to advertise." And indeed, the trend is toward "fewer, but bigger dealerships," according to NADA's Mr. Webb.

Other major expenses that tear away at profits and squeeze out the little guys include rising rents (averaging $139,000 in 1989), floor-plan interest ($127,000), and especially payroll ($1 million).

A particular difficulty for smaller dealerships is that they can't cut costs the way big operations can if they have to.

Frank Galeana of Galeana Van Dyke Dodge in Warren, Michigan—the largest Hispanic-owned dealership in the country—points out that "The small dealer isn't just one person. He's the owner, the manager, the sales staff, and others. Who's he going to fire, in order to cut costs?"

Further, Mr. Galeana notes, "The little guy has to keep his inventory in line. If he only has 60 to 75 units, he can't afford to cut back." Big companies, on the other hand, can cut back and still survive, says Mr. Galeana, whose own inventory is now running at two-thirds of normal levels.

Based on all these factors, the NADA "Optimism Index" survey—which has been a remarkably reliable leading indicator in the past—shows that nearly three-quarters of all U.S. auto dealers foresee either no improvement or a decline in their profitability during the coming year.

If you can digest these statistics and *still* want to own a dealership, what would it take? "Big bucks ahead," booms Rudy Sandoval, owner of Sandoval Dodge in Las Cruces, New Mexico. And if you buy a small new or "fixer-upper" dealership, you will not have those important assets that help the large, well established dealerships maintain profitability, he points out. These benefits include repeat customers, referrals, paid-for property, and a reputation for customer satisfaction. As Mr. Lence observes, referrals and repeat customers are best and most cost effective. "They're easiest to close deals on," he says, while walk-ins, even from the best advertising, "are tough to close."

But if you do decide to invest in a dealership, or already have one, the veterans point out that you shouldn't forget to target the Hispanic market for part of your advertising budget. That goes for Mr. Sandoval in New Mexico with his 40 percent Hispanic client base as well as for Mr. Galeana up North in Michigan with his 10 percent.

THE HISPANIC BUSINESS
500

Annual Auto Survey

Facts

By Joseph Wells

There are probably more than 350,000 small Hispanic-owned businesses in this country. Even assuming that only one business vehicle is registered to each of these companies, we're looking at an investment of $5.6 billion. That figure is bigger than the annual government expenditures of Colorado and 23 other states. That's a lot of clout.

Unfortunately, no solid research has been available on the vehicle buying power, patterns, and plans of Hispanic-owned companies. So we at **HISPANIC BUSINESS** did our own survey of the businesses we're in closest touch with—the **HISPANIC BUSINESS** 500, which are featured annually in our June issue. The 500 represent the largest Hispanic-owned corporations in the country. Our conclusions are extrapolated from a large randomly selected group of these companies.

Overall our survey shows that the average **HISPANIC BUSINESS** 500 company has nine vehicles (three cars and six trucks), which are bank financed more often than leased. The vehicles represent about 9.7 percent of the company's asset base. About 48 percent of the company's vehicle servicing is done by the manufacturer's representative, and the vehicles are replaced every 2.6 years. Most of the vehicles are made by Ford or General Motors, but the CEO probably drives a company-owned Mercedes.

In aggregate, the **HISPANIC BUSINESS** 500 companies have an annual vehicle acquisition and maintenance budget of $17,613,167 and an annual insurance budget of $8,724,667. Last year they bought 7,298 tires, 1,337 batteries, and 918 cellular phones. Next year they project driving a total of 54,735,849 miles and plan to buy 1,214 new vehicles. Keep in mind that there are 349,500 other Hispanic businesses out there.

Share of Company Cars

By make • Total- 1,561

Ford	39.0%
GM	29.9%
Toyota	9.2%
Chrysler	6.0%
Mercedes	5.8%
BMW	3.9%
Honda	3.2%
Other	11.1%

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The **HISPANIC BUSINESS** 500 show a striking parallel to the purchasing patterns of the U.S. Hispanic population, as revealed in studies by the automotive market analysts R.L. Polk and J.D. Power. Ford is the leader in market share among the 500 with 31.9 percent, followed closely by GM with its 29.9 percent stake. And, as noted in the article "Sharewars in the Showroom," Toyota has suddenly taken third position by passing Chrysler. Further, Mercedes Benz—as the number

Nameplates the CEOs Drive

Total by make (rounded)

Mercedes	15.8%
Cadillac	12.7%
BMW	9.4%
Lincoln	9.4%
Ford	9.4%
Audi	4.9%
Jeep	4.9%
Volvo	4.9%
Chevrolet	3.2%
Chrysler	3.2%
Honda	3.2%
Jaguar	3.2%
Nissan	3.2%
Olds	3.2%
Toyota	3.2%
Other	6.2%

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ABOUT CLOUT!

one choice of Hispanic CEOs—is right on Chrysler's tail.

Focusing just on CEOs' cars, we found that 67 percent are company-owned. While those that are personally-owned are excluded from this business-based survey, we should note that Mercedes is the first choice in this category also. Cadillac is number two and represents GM's only stake near the top. Ford, Lincoln, and BMW are neck and neck in slot number three. Interestingly, Jeep appeared in our survey as the foremost Chrysler contender among Hispanic CEOs—sharing that fourth position with Audi and Volvo.

Business Vehicles

By type • Total= 4,561

Compact	4.6%
Intermediate/Full-size	17.2%
Luxury	12.4%
Minivan/Vans	6.5%
Light-duty trucks	24.1%
Medium & Heavy-duty trucks	35.2%

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Our survey shows that the 500 own or lease about 4,561 vehicles, including cars, vans, and trucks. Of these, 209 are subcompacts or compacts, 784 intermediate or full-sized cars, and 568 luxury cars (total cars: 1,561); 298 are minivans or vans, 1,098 light-duty trucks, and 1,604 medium- or heavy-duty trucks (total trucks: 3,000).

Most 500 companies own all their vehicles, a few lease all vehicles, and a good many of the companies do both. In analyzing our figures we found that the high-mileage vehicles like vans and trucks are most often bought outright, while the company cars of upper management are very often leased.

Share of Companies Purchasing/Leasing

Total= 500 companies

Purchased	59.7%
Leased	14.9%
Both	20.9%
No response	4.5%

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Vehicles are replaced, on the average, every 2.6 years. According to current plans, as indicated by our survey, the **Hispanic Business** 500 will buy 500 new cars this year (an estimated expenditure of $8 million) and 714 new trucks (for another $26 million, based on *Automotive Executive*'s average vehicle values).

Criteria Used in Selecting Business Vehicles

Price	34.1%
Quality	28.2%
Personal preference	15.1%
Economy	13.2%
U.S. made	7.5%
Luxury	1.9%

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What makes them buy? We asked the companies surveyed to list the criteria they use in selecting new vehicles. The first criterion in most responses was "How much it costs." "Quality and reliability" was number two. But 15 percent of the respondents said "personal preference" was the *deciding* factor—the vehicle had to look good, feel right, or in some manner impress the buyer/leaser in a personal way.

Frequency of Vehicle Replacement

Average= 2.6 years

Yearly	16.4%
2 Years	17.9%
2.5 years	19.4%
3 years	25.4%
4 years	13.5%
Over 4 years	7.5%

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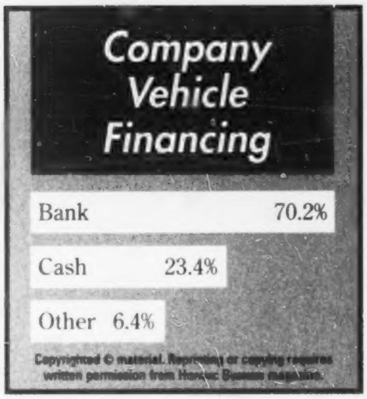
Another common answer was that the vehicle had to be "made in the U.S.A." Juan Galen, CEO of Gato Distributors in Miami, says, "My customers are all in the United States," and he views his all-American fleet of 54 trucks and five cars as an investment in his customer base. When these Hispanic businesses buy, they usually rely on bank funding for the purchases.

The **HISPANIC BUSINESS** 500 represent the most successful Hispanic-owned companies in the country, those with the most financial clout. Sad to say, good data about Hispanic businesses as a whole are sorely lacking, and economic Census data are chronically out of date. But more and more of the "big-time" research companies like Polk, Power, Nielsen, *et al.*, are now analyzing the Hispanic consumer market. Can the Hispanic business segment of that market be long ignored?


Company Vehicle Financing

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Examining Your Options

Transportation can affect every aspect of a business, including customer satisfaction, the costs of goods sold, and profit margins. In fact for many businesses—expecially smaller ones—the transportation-related decisions are among the most important they will make. Should you rent? Buy? Lease? And the choices are harder to make nowadays, since transportation industry deregulation has caused an explosion in the number of transport options that are available.

Among the most popular new offerings are full-service leasing businesses, which can begin with consulting if you like. They will determine the most cost-effective approach to obtaining equipment over a period of years. This includes assessing the company's strategy, defining the mix of cars and truck weights needed, and calculating which of these should be leased, which bought, which rented.

A lot of it is common sense. For example, they'll tell you no company should have a permanent fleet bigger than it needs during its slowest period. The cost of renting, even for deliveries several times a week, may be more economical than keeping a permanent fleet.

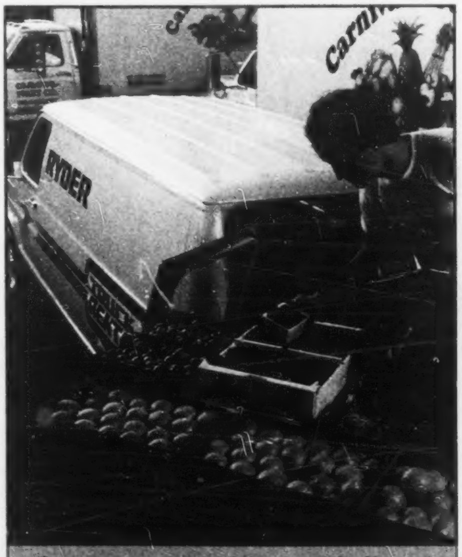
The other side of the rental coin is that you can use it to experiment and build an operation. Renting might be best when you have an one-time need and the alternative would be to pull a vehicle off its regular route, or it might be more cost effective when you're just exploring a new business opportunity and probably shouldn't be committing to a long-term increase in overhead.

Once you decide on your permanent fleet needs, two rules of thumb often apply to the buy/lease decision. High-mileage vehicles—the heavier trucks that will be kept for many years—should be bought. Low-mileage vehicles—usually cars that are traded in every two to three years—should be leased. Although new tax incentives should be considered that will make it more attractive for some companies to lease .

If the client wants, the full-service leasing companies will finance the purchase of any equipment being bought, ordering it to conform to the customer's specific needs. They are also able to devise efficient route plans, recruit and evaluate drivers, provide comprehensive driver safety programs, and advise on issues such as driver payroll, taxes, and labor relations. Or they will provide the drivers and support services themselves—including maintenance management, paperwork, cost control, and vehicle disposal.

Finally, If you lean toward leasing, shop around, say industry experts. Picture leasing as merely another way of financing your fleet. Lessors calculate payments based on the purchase value of the vehicle now and at the end of the lease—two values not necessarily carved in stone (until you sign the lease). And if you have an option to buy at the end, keep negotiating.

Among the straight fleet leasing plans offered are GM's "Smart lease" and Ford's "The Plan."


One company that offers a full line of transportation planning and leasing services is the Miami-based Ryder Truck Rental Inc.

Research

When Opportunity Honks

There's plenty of leg room for research on the Hispanic auto market.

By Joseph Wells

THE TOP 40

Models Bought by Hispanics

Rank	Model	% of Vehicles Purchased	Rank	Model	% of Vehicles Purchased
1	Hyundai Excel*	6.1%	21	Ford Thunderbird	1.2
2	Nissan Sentra	4.4	22	Toyota Tercel	1.2
3	Honda Accord	4.2	23	Chrysler Le Baron	1.1
4	Olds Cutlass	3.9	24	Chrysler New Yorker	1.1
5	Ford Escort	3.8	25	Cadillac De Ville	1.0
6	Chevrolet Cavalier	2.7	26	Mazda 323	1.0
7	Ford Mustang	2.5	27	Nissan Maxima	1.0
8	Honda Civic	2.5	28	Olds Delta 88	1.0
9	Pontiac Grand Am	2.5	29	Toyota Celica	1.0
10	Ford Tempo	2.2	30	Buick La Sabre	0.9
11	Toyota Camry	2.1	31	Nissan Pulsar	0.9
12	Chevrolet Camaro	1.9	32	Pontiac LeMans	0.9
13	Ford Taurus	1.9	33	Volkswagen Jetta	0.9
14	Toyota Corolla	1.9	34	Chevrolet Spectrum	0.8
15	Chevrolet Beretta	1.7	35	Honda Prelude	0.8
16	Chevrolet Corsica	1.5	36	Mercury Grand Marquis	0.8
17	Mercury Cougar	1.5	37	Pontiac Grand Prix	0.8
18	Chevrolet Celebrity	1.3	38	Pontiac Sunbird	0.8
19	Buick Regal	1.2	39	Subaru DL/GL	0.8
20	Chevrolet Nova	1.2	40	Volkswagen Fox	0.8

* Note position has dropped since survey.

Source: R.L. Polk report "The Hispanic Car Market: Economic and Ethnic Realities" (for model year 1988).

One thing we learned when we started looking for statistics on the Hispanic automotive market: this field of research is in its infancy. Media looking for original research are being forced to do it themselves.

We soon found that any estimate of Hispanic spending on cars and trucks would have to be a patchwork (see "How Big is the Pot?", page 52). And in fact we ended up producing one of the biggest pieces of that statistical quilt ourselves (see our "Hispanic Business 500 Auto Usage Survey," page 34).

Our "research on the research" took us first to the major auto makers. We found that a few of them—Honda, for example—are beginning to study the Hispanic market closely and are designing new targeted ad campaigns on that basis. But because these statistics give them a competitive advantage, they want to keep such proprietary information to themselves.

Next we turned to two commercial research houses that produce the statistics everybody quotes on the U.S. auto market—J.D. Power and R.L. Polk. They helped us generously by doing special sorts of their overall market information to scope out what Hispanics spend on personally registered new cars and trucks. But as Power's Marketing Director Dennis Ricci points out, they are "well aware that we're missing a lot of Hispanics." Power did its questionnaire only in English, and Polk's survey of registrations missed buyers who don't have obviously Hispanic surnames.

Further, many of their statistics are not produced frequently enough given the swiftness of change in the auto market. For example, the Polk report we drew from to define "The Top 40 Models Bought by Hispanics" was the most recent available—for model year 1988. While it remains largely relevant, Hyundai has lost considerable share since 1988.

We had to do our own research to define one big piece of the Hispanic auto market—the amount America's 350,000 Hispanic businesses invest in their fleets. To get at this number, we did a survey of Hispanic Business 500 expenditures and projected from that.

The only other really original publicly available research we found was a national survey of Hispanic new car buyers done by Ward's Communications—summarized in "The Unpredictables" by our automotive correspondent, Ralph Gray.

So our foray into the jungle of automotive research did take us a long way toward defining how much clout Hispanics can claim in this industry. Maybe more important, it showed us what still has to be done, and that much of the research burden will be on us.

The Unpredictables

By Ralph Gray

One size does not fit all when it comes to selling vehicles to Hispanics, according to a recent study of 400 Hispanic car and truck owners in four key markets—Los Angeles, Miami, New York City, and San Antonio. It's no longer a monolithic marketplace, if it ever was.

The study, conducted for Ward's Communications (publisher of *Ward's Auto World*) by the Interviewing Service of America in Van Nuys, California, probed the influence of advertising and other factors on Hispanic auto purchases.

The survey results depict a diverse Hispanic market. For example, although it was long considered "gospel" that broadcast advertising to Hispanics should be done in Spanish, only 37 percent of those responding to the Ward's survey indicate that broadcasts in Spanish were "most important" in influencing their purchase decision. Twenty-seven percent say English broadcasts were most important. In terms of print ads, only 10 percent picked Spanish-language ads, while 27 percent picked print ads in English.

There are big regional differences in these preferences, however, with New York generally representing the "average."

IMPORTANCE OF LANGUAGE IN ADVERTISING

% Considering Medium Most Important

	Los Angeles	New York	Miami	San Antonio	Overall
BROADCAST					
English	19%	27%	20%	40%	27%
Spanish	43%	39%	45%	19%	37%
PRINT					
English	23%	17%	15%	31%	22%
Spanish	12%	14%	9%	3%	10%

Source: Ward's Communications Auto Dealer Survey. Total surveyed= 400

In terms of broadcast language preferences, no area leans more heavily to Spanish than Miami, with 45 percent, while 40 percent of the San Antonio Hispanics prefer broadcasts in English over Spanish.

Spanish print ads are even less important to the folks in San Antonio. Only 3 percent of them say they prefer Spanish print ads—versus the 31 percent who rank English language print ads higher. And even Miami, the true bastion of Spanish broadcast preference, gives Spanish print a meager 9 percent rating. The survey also assessed the factors that affect Hispanics' choices of auto dealerships. Manufacturer's reputation, not the ethnicity of the dealer, is the most important consideration. Then dealer reputation runs a close second, with location ranking third. Dealer ability to speak Spanish is fourth, and the dealer's Hispanic heritage ranks fifth.

When asked to assess the importance of each of these factors individually on a scale of five to one—one being highest—the Ward's respondents place buying from a Hispanic dealer at 3.14 on average, the lowest of the five ratings. Only those polled in Los Angeles rate it higher, at 2.86, while San Antonio residents put it lowest, at 3.54.

The same pattern prevails regarding the importance of buying a vehicle from a dealership where Spanish is spoken. Nationally the rating is 3.05. Survey respondents in New York (2.98) and Los Angeles (2.71) tend to believe ability to converse in Spanish is somewhat more important than do those in San Antonio (3.41) and Miami (3.10).

A projection done by the Hispanic Policy Development Project of Washington, D.C. seems to indicate that ability to speak Spanish will become less important. The projection shows the share of Hispanics speaking only Spanish dropping to 19 percent within 10 years, versus 21 percent in 1986, although the numbers of all groups will increase with the growth of the Hispanic population. The projection also indicates that the bilingual (Spanish-English speaking) population will become almost half again as big as it is today (a 44 percent increase) over the next 10 years, and 45 percent of those bilinguals will prefer English over Spanish, compared with 43 percent in 1986. Meanwhile the proportion of bilinguals preferring Spanish will remain at a constant 37 percent.

An important part of Ward's survey, of course, covers the kinds of cars and trucks Hispanics will buy. For years, marketers have considered Hispanics to be true blue, buy-American-brands-only customers. That's changing, Ward's says.

While 59 percent of those surveyed own domestic cars, only 54 percent plan to buy a new domestic car the next time. That would raise the percentage owning imported cars from 28 percent to 33 percent.

Only in trucks do the domestic manufacturers hold their own. Now 15 percent of the survey participants own domestic light trucks, and the slippage is slight on intentions—to 14.5 percent. That half percent is gained by import trucks, which would rise to 3.5 percent.

For domestic trucks, the big market is Los Angeles, where 25 percent of the area's survey respondents own U.S. makes (surprisingly, since LA is considered the "hotbed" of imports). San Antonio is next at 21 percent, followed by Miami at 8 percent and New York at 5 percent. The slight slippage to imports is less likely to come in Miami, New York, or San Antonio, where import trucks make up (in the same order) zero, 1, and 2 percent of the surveyed Hispanics' vehicles.

The big market for domestic cars is San Antonio. Of the survey respondents owning U.S. makes, 33 percent are in San Antonio, followed by Miami at 28 percent, Los Angeles at 25 percent, and New York at 14 percent. Imported cars are biggest in Los Angeles. Of the participants owning imports, 37 percent are in LA, and 31 percent are in Miami. Less big on foreign cars are New York (17 percent) and San Antonio (15 percent).

Finally, what brands of cars and trucks do Hispanics buy most? Four names consistently appear at the tops of the lists for the regions surveyed (as reported in *Ward's Auto World*, December 1989): Chevrolet, Ford, Toyota, and Nissan.

But as we've seen, the Hispanic market can not be approached with outdated assumptions. Things could be different next year, and the success of the various makers will depend on how well they listen.

ship earlier simply because he didn't have enough money. "The minimum investment now is $75,000 to $100,000, and that will get you only a small dealership," Mr. Galeana says. "And the problem with a small dealership is that the dealer must be a person of many trades, a service provider as well as a salesperson. That will take you maybe 70 to 80 hours a week, and lots of dealers are not willing to put in the time that it takes to make a dealership go," he concludes.

Flor (Shorty) Navarro says you need even more money to have a good chance of achieving success. Mr. Navarro, who owns Stadium Lincoln-Mercury in Youngstown, Ohio, says that "by the time you buy your parts, your equipment, and your used car department, $500,000 is nothing." When he started a decade ago he had only $100,000, "but I had a good knowledge of the used car business." Mr. Navarro also cautions Hispanics not to attempt a shortcut by participating in a minority dealer development program. "Any Hispanic who goes for that deal has got to be dumb—it's a stupid move. If you have a little money you are going to blow it." He says that Hispanics or blacks trying to get a dealership with only $50,000 to $100,000 are almost certain to fail. "A lot of minorities are going down the drain right now, because business is tough," Mr. Navarro says seriously.

Another Hispanic dealer who has reservations about today's minority dealer development programs is Ernesto Ancira, Jr. of San Antonio. Mr. Ancira has Jeep, Eagle, Chevrolet, and GMC Truck franchises. He says that he feels insulted by special programs for minorities. "If we are subsidized," Mr. Ancira says, "we will develop into a group that can only survive through subsidies." He says that he "started with zilch other than a lot of b.s. Nobody gave me any special assistance, and I didn't *want* any. My ego didn't allow me." The fact remains, however, that minority dealer development programs are not a subsidy. They are a necessity to diversify dealer ownership, and the fact that not many minorities have been able to do what Mr. Ancira did confirms this, according to Mr. Padilla.

Another Texan, Democratic Congressman Solomon Ortiz, says he is doing his best to encourage Japanese investors to back "Hispanic businesspeople, particularly in automobile dealerships." He says he expressed this objective to the then Prime Minister of Japan, Yasuhiro Nakasone, when he visited Japan with a trade mission sponsored by the Congressional Hispanic Caucus, and "will continue to work toward seeing Hispanic businesses garner a bigger share of the Japanese car industry."

The second area where Hispanics want more reciprocity is in employment. Few Hispanics have risen to management levels in the car companies (see "Who's on Top?"). And, with Detroit generally scaling back employment, opportunities for

How Big is the Pot?

Just how big is the growing Hispanic automotive market, anyway? Everybody says Hispanics "must be spending billions" on automotive products, but Hispanic Business wants to make it more specific.

Our conservative conclusion is that U.S. Hispanics spent around $7 billion on new cars and trucks for personal use last year, and about $2.8 billion on used vehicles. We also found that Hispanics spend a larger portion of their disposable income (personal income excluding all taxes) on vehicles than the population in general.

We could not determine expenditures for cars and trucks purchased by Hispanics for their *businesses*, because most business owners register their cars and trucks to their companies and not as personal assets. But we do estimate that total "user-operated transportation" expenditures for U.S. Hispanics are approximately $15 billion a year.

Our findings are largely based on key data from J.D. Power and Associates, a marketing information company located in Agoura Hills, California. Power got its information from a large nationwide sample of new cars bought for personal use, says Marketing Director Dennis Ricci.

The Power data indicate that 327,266 Hispanics purchased new cars for personal use in 1989. Of these, 179,474 (55 percent) purchased domestic cars, and 147,791 (45 percent) purchased imports.

To provide a cross-check, we then used information from another respected source—R.L. Polk & Co. of Detroit, a leader in the information industry. While Power uses the registered owner's "self identification" to determine ethnicity, Polk depends on identification by Spanish surnames. And, while Power reports on total U.S. sales, Polk provides figures only for the top 24 Hispanic Areas of Dominant Influence (ADIs).

Polk reports 228,636 new car registrations to Hispanics in the top 24 ADIs. Calculating that these ADIs represent about 82 percent of the total U.S. Hispanic market 18 years and older, we extrapolated those figures to the entire country. The resulting number of new car registrations to Hispanics was lower than Power's—278,824.

Splitting the difference between Power and Polk, we reached a "best estimate" of new car sales to Hispanics in 1989. The number is about 303,000.

So what was the total price tag? According to the U.S. Department of Commerce, the average retail price of domestic cars was $14,920 in 1989, and the average price of the imports was $16,575.

Simple arithmetic shows that Hispan-

Hispanics are likely to become even more difficult. Congressman Albert Bustamante (Democrat of Texas) stresses that more Hispanic auto workers are a must. "We know that in the big factory areas, although Hispanics are working there, they are not in the numbers we would like, he says." Representative Bustamante points out that since the available labor pool of Hispanics differs widely from area to area, total labor force comparisons between the different manufacturers are not the whole story. Nevertheless, it is clear that Hispanic workers are underrepresented in the top auto makers.

General Motors, not surprisingly, employs the most Hispanics. At the end of last year that giant company employed 11,673, out of an overall U.S. work force of 414,211, according to a GM spokesperson. That's 2.8 percent of the total.

As of January 1, 1990, Ford employed 3,628 Hispanics, out of 175,100 workers. That's 2.1 percent, but it could have been worse, according to Ed Rodriguez, Ford's assistant manager for corporate urban programs. Ford has actually increased Hispanic employment by 11.4 percent over the past five years, he emphasizes, at the same time it was making a 5 percent cut in its overall payroll.

Chrysler also provided employment data, although, "Unlike GM and Ford, we don't have any major manufacturing facilities in high Hispanic population areas," says Steve Harris, Chrysler's director of public relations. Chrysler employed 1,281 Hispanics out of a total work force of 91,500 at the end of 1989. That's 1.4 percent of its employment.

For Toyota, employment of Hispanics in its marketing arm, Toyota Motor Sales, USA Inc. headquartered in the heavily Hispanic Los Angeles area, is correspondingly high. Of a total employment of 4,400, Hispanics accounted for 13 percent as of March 31, 1990. According to Toyota spokesperson Christi Abe, their Hispanic employment has grown in number and percentage every year since 1974, when it was 3.4 percent.

At the plant jointly owned by Toyota and General Motors near Fremont, California, Hispanic employment has remained constant for the past two years at 28 percent of 2,800 employees, according to spokesperson Michael Damer. This is a separate company called New United Motor Manufacturing Inc. (NUMMI).

Another separate company known as Toyota Motor Manufacturing, USA Inc. near Georgetown, Kentucky, is Toyota's largest production facility outside of Japan. Significantly, while the two Toyota units in California readily provided Hispanic employment data, spokesperson Michelle Celsor says that Toyota Motor Manufacturing "does not divulge information for specific minorities."

Nissan's manager of equal employment opportunity programs, Ernest Stroman, told **Hispanic Business** that we would have to make our request for employment

How Big is the Pot? —CONTINUED

ics spent about $2.5 billion for domestic cars and $2.3 billion for imports—a total of just under $4.8 billion. And, adjusting to reflect a slight preference among Hispanics for somewhat less expensive vehicles, the total annual Hispanic family auto market is probably about $4.7 billion.

What about trucks? The data are less plentiful here, but a Power study shows that Hispanics purchased 167,628 new vans, pickups, and sport utility vehicles for personal use in 1989, of which 119,250, or 71 percent, were domestic models, and 48,378, or 29 percent, were imports. Power says the average price Hispanics paid for domestic trucks was $14,586, and for imports it was $11,540. That points to an investment of $1.7 billion for domestic trucks and $558 million for imports, a total of almost $2.3 billion.

These figures add up to an annual grand total of about $7 billion—which of course still leaves out all cars, trucks, and vans purchased for Hispanic businesses, as well as all used vehicles purchased for both private and business use.

Importantly, our calculations demonstrated that Hispanics spend a much greater percentage of their disposable income on cars and trucks than the population overall—i.e., that cars are more important to Hispanics than to the general population. Department of Commerce figures indicate that Americans spent a total of $99.7 billion on new cars and trucks in 1989. That's 2.7 percent of their total disposable income. Hispanics, by comparison, spent 4.9 percent of their estimated purchasing power of $142.4 billion on new cars and trucks for personal use last year.

Estimated 1989 Hispanic Automotive Expenditures

CATEGORY	$ BILLIONS
New cars for personal use	$4.7
New trucks for personal use	$2.3
Used cars/trucks	$2.8
Total "User-operated transportation"	$15.0

Overall U.S. used vehicle sales were $41.6 billion in 1989, according to the Department of Commerce. This amounted to 1.1 percent of the overall population's disposable income. Assuming that Hispanics spent the same percent of their disposable income on used vehicles as the population at large, Hispanic used car sales would have been at least $1.6 billion in 1989. Then, if we assume that Hispanics spent as much more of their disposable income than the general population for used vehicles as they do for new ones, that figure would be $2.8 billion.

The general population in 1989 spent a total of $387.6 billion on all "user-operated transportation," including new and used vehicles; accessories like tires; repairs, washing, and parking; and gas and oil. Assuming that Hispanics spend just the same portion of their total disposable income as the overall population, their annual automobile expenditures amount to a gigantic $14.8 billion.